DOCUMENT RESUME

ED 391 867 UD 030 810

AUTHOR Hughes, Mark Alan
TITLE Over the Horizon. Jobs in the Suburbs of Major Metropolitan Areas. Background Paper.
INSTITUTION Public/Private Ventures, Philadelphia, PA.
SPONS AGENCY Ford Foundation, New York, N.Y.; John D. and Catherine T. MacArthur Foundation, Chicago, IL.
PUB DATE Dec 93
NOTE 62p.
AVAILABLE FROM Public/Private Ventures, 2005 Market Street, Suite 900, Communications Department, Philadelphia, PA 19103.
PUB TYPE Reports - Evaluative/Feasibility (142)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Community Change; Employment Opportunities; *Employment Patterns; *Geographic Location; *Inner City; Low Income Groups; *Mobility; Neighborhood Improvement; Poverty; Public Policy; *Suburbs; *Urban Areas; Urban Renewal; Urban Youth

ABSTRACT

The suburbanization of employment is examined as a key change in metropolitan settlement structure. Settlement structure refers to the physical landscape of the city and the social landscape of boundaries and routes. The study seeks a middle ground between the breadth of a national study and the depth of a local study. Conditions that characterize contemporary urban policy in the United States are reviewed as a prelude to detailed information on the changing location of employment in a group of large metropolitan areas. A third section discusses the implications for antipoverty strategy of poverty concentration and job suburbanization. A powerful metropolitan pattern of poverty at the center, with opportunity only at the edge, is emerging, giving the search for antipoverty strategies a profoundly geographic character. The three basic strategies that have been attempted so far are dispersal of the poor from the city centers, development of the inner city, and providing for the mobility of inner city residents to enable them to reach jobs. The last alternative deserves a demonstration trial as part of a comprehensive approach to residence and employment patterns. (Contains 64 figures.) (SLD)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

Background Paper

Public/Private Ventures

P/PV

ED 391 867

Over the Horizon

Jobs in the Suburbs of Major Metropolitan Areas

Mark Alan Hughes

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

X This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy

"PERMISSION TO REPRODUCE THIS MATERIAL IN OTHER THAN PAPER COPY HAS BEEN GRANTED BY

N. Jaffe
Public Private Ventures

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

0032810

December 1993

BEST COPY AVAILABLE

ACKNOWLEDGMENTS

Mark Alan Hughes conducted this study prior to joining Public/Private Ventures in 1993 as vice president for policy development. He gratefully acknowledges support for the study from the John D. and Catherine T. MacArthur Foundation, and support from The Ford Foundation and the Lincoln Institute of Land Policy for earlier research on which this study was based.

The author also benefitted from the incisive comments of David T. Ellwood, John H. Dilulio Jr., William Julius Wilson, Anthony Downs, Mark Schmitt, Richard Bickel, Natalie Jaffe, Ellen Nissenbaum and Mark Elliot. Finally, the author wishes to thank the harried government document librarians at the Free Library of Philadelphia, one of the nation's great public libraries and civic institutions.

CONTENTS

		Page
1.	INTRODUCTION	1
2.	AN OVERVIEW OF METROPOLITAN SETTLEMENT STRUCTURE	4
3.	THE GEOGRAPHY OF ISOLATION	8
4.	THE GEOGRAPHY OF OPPORTUNITY	18
5.	ANTIPOVERTY STRATEGY AS A GEOGRAPHICAL EXERCISE	51

1. INTRODUCTION

Sweeping changes in the "settlement structure" of the United States motivate many strategies designed to reduce inner-city poverty. The phrase, settlement structure, refers to both the physical landscape of buildings and streets and the social landscape of boundaries and routes. It is so basic that settlement structure is beyond question for most people—as is the other basic structure that organizes our lives: time.

The influence of settlement structure, however, is profound. When someone locks the doors of their car as they enter a certain neighborhood, they are reacting to their understanding of settlement structure. When someone buys a home based on its school district, they are responding to settlement structure. When someone makes a quick exit off the expressway as dozens of brake lights appear, they are referring to settlement structure. Settlement structure is the way all these diverse things—houses and schools, routes and travel times, neighborhoods and personal safety—are related. And our "mental map" of the settlement structure is our way of navigating, literally, the complex terrain over which we live our lives.

Antipoverty strategists are no less dependent on mental maps. During recent decades, they have recognized settlement structure as an obstacle to their goals.[1] Consequently, most antipoverty strategies are attempts to change the geography of where poor people live or work. Either they propose to move poor people from bad locations to good locations or they propose to transform bad locations into good locations by moving good things around. Consider scattered-site public housing programs that seek to disperse low-income households from slums to good neighborhoods. Or think of enterprise zone programs that seek to rebuild the employment base of once-central cities by attracting firms that would otherwise locate elsewhere. In a fundamental way, these are geographical exercises.

The advent of major federal policy initiatives regarding infrastructure investment, environmental regulation, and urban aid[2] has increased our capacity to change metropolitan settlement structure. And so, today, strategic questions arise about how to exercise this capacity to reduce inner-city poverty in a sustainable way.

In this report, we examine the suburbanization of employment as a key change in settlement structure. High-quality, locally produced studies exist for most of the metropolitan areas we examine. However, local studies, based on particular surveys or methods, do not allow meaningful comparisons across metropolitan areas. This limits their usefulness to national policymakers and to local policymakers seeking to learn from other metropolitan areas. On the other hand, national studies conducted

[1]Although this report is not intended to serve as a literature review, we will note scholarship that has been important to policy formation. The most influential research that recognizes settlement structure's role in inner city poverty is that of William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: U of Chicago Press, 1987). Wilson's discussion of the social isolation of the inner city has framed the last half-dozen years of poverty research and policy.

[2]Most relevant are the Intermodal Surface Transportation Efficiency Act of 1991, the Clean Air Act Amendments of 1990, the Empowerment Zone and Enterprise Communities provisions of the 1994 Federal Budget, and the proposed Mobility-to-Work Act offered by Senator Bill Bradley of New Jersey.

BEST COPY AVAILABLE

by research scholars rarely provide the kind of descriptive detail needed to inform policy. Local variation in that kind of research is typically reduced to one or two variables in a regression equation. This might be sufficient for relatively simple hypothesis-testing, but it rarely proves relevant to the concerns of decisionmakers.

This report seeks to occupy a middle ground between the breadth of a national study and the depth of a local study. It combines some of the detail of a local study with the consistent data and method of a national study. After the introduction provided in the next section, we present three related arguments. First, we briefly portray the conditions that characterize contemporary urban poverty in the United States. These conditions animate the call to "do something" about the increasingly desperate violence and deprivation found in many larger U.S. cities. The statistics cited will be familiar to most readers and our main contribution here will be to present up-to-date information for the nation's largest metropolitan areas.

Second, we present detailed information on the changing location of employment in a group of large metropolitan areas.[3] These have been identified by Public/Private Ventures as potential sites for a demonstration project by virtue of their extensive suburbanization of employment as documented in earlier studies. Here, we focus on job suburbanization, using the most detailed and current data available. These data provide new insights into the suburbanization of employment in these metropolitan areas.

Our intention here, and in the preceding section, is not to measure impacts and test hypotheses regarding cause and effect. In particular, we will not be in a position to establish the effect of job suburbanization on inner city poverty. One reason why debates about this effect (and about settlement structure and poverty, in general) go round and round is that conventional data and methods are no match for the complexities at issue. Instead, our intention is simply to establish a reasonable case for experimenting with an antipoverty strategy that would mitigate the effects of job suburbanization. Those effects may turn out to be irrelevant to, or only a very small part of, poverty and employment in the inner city. But only a well-conceived demonstration will ever answer this question adequately.

In the third section, we discuss the implications for antipoverty strategy of poverty concentration and job suburbanization. We place particular emphasis on a strategy that is now a small part of President Clinton's Empowerment Zone program and the centerpiece of Senator Bill Bradley's Mobility for Work legislation. This strategy is designed to connect inner-city residents to suburban employment via a combination of training, placement, and support services delivered through a partnership that would build bridges across metropolitan areas and across areas of programmatic responsibility. In a series of reports and conferences, we have proposed such a "mobility strategy".[4] We stress here and throughout this report, however, that there

[3]These ten are the metropolitan statistical areas of Chicago-Gary-Lake County IL-IN-WI, Washington DC-MD-VA and Baltimore MD (we use the new combined CMSA for these two areas), San Francisco-Oakland-San Jose CA, Philadelphia-Wilmington-Trenton PA-NJ-DE-MD, Detroit-Ann Arbor MI, St.Louis MO-IL, Denver-Boulder CO, Milwaukee-Racine WI, and Kansas City MO-KS.

[4]*Fighting Poverty in Cities* (A Report to the National League of Cities, Washington DC, 1989); *The New Metropolitan Reality* (A Report to the Urban Institute, Washington DC, 1992); Mobility Strategy Policy Conference, Washington DC, December 1992; Reverse Commute Seminar, American Public Transit Association, New Orleans LA, October 1993.

are many open questions regarding the mobility strategy; the prudent course of action is a well-designed demonstration in a small number of places.

In one of the most important statements of antipoverty strategy during the 1960s, Anthony Downs wrote of the need to "envision alternative futures for the American ghetto" as a prerequisite to formulating strategies to combat inner-city poverty.[5] With such a vision in place, Downs argues, the policy strategist can then identify actors needed to realize the alternative future, enumerate incentives needed to motivate those actors, and name or invent mechanisms needed allow key actors to pursue those incentives. This report is presented in the spirit of Downs's policy strategizing. We attempt to portray current conditions, draw working conclusions about the policy implications of those conditions, and propose strategies that might improve those conditions. The report does not present original research, nor even research at all in the conventional social science sense. Rather we make informed judgments about the current state of labor markets in the inner cities of several major metropolitan areas and present a case for employing demonstration research to help sort out policy options.

Geography is certainly history but it need not be destiny. By examining metropolitan settlement structure, we may come to understand how inner cities have been assaulted by change in recent decades, and how the residents of our inner cities can be helped to avoid the grim destiny these changes portend.

[5]Anthony Downs, "Alternative Futures for the American Ghetto" in *Daedalus* (1968, 97:1331-1379).

2. AN OVERVIEW OF METROPOLITAN SETTLEMENT STRUCTURE

In this section, we introduce a series of definitions and measurements that are important to understanding the issues discussed later. Although some of this material might seem better placed in an appendix, we suggest that an understanding of metropolitan settlement structure, how it is defined and measured, is crucial to understanding the problems of inner-city poverty in the 1990s.

Since the end of World War II, the United States has built enormous metropolitan settlements that now organize the daily lives of most Americans. A majority of the U.S. population resides in metropolitan areas containing one million or more persons, and one out of four Americans now reside in the eight largest consolidated metropolitan statistical areas[6] (CMSA), the best unit for observing the full growth of our metropolitan settlements. (Definitions of the various units are digested in Footnote 7.)[7] Here is how the definitions work with regard to, for example, metropolitan Chicago.

Figure 1 displays a map of the consolidated metropolitan statistical area of Chicago. The heavy lines indicate county boundaries and the thin lines represent the boundaries of minor civil divisions, which is the Census term for cities and townships. For reference, the figure also shows the interstate highways and commuter railroad lines.[8] Shaded in yellow is the Chicago Primary Metropolitan Statistical Area, or PMSA, which consists of only three counties: Cook, DuPage, and McHenry. It is conventional in urban research to use the PMSA (in earlier censuses, these were labeled SMSAs) as the unit of analysis. However, if one is interested in the suburbanization of population and employment away from the historically dominant city, then looking only at the Chicago PMSA would cause one to miss changes quite

[6]These are the consolidated metropolitan statistical areas of: New York-Northern New Jersey-Long Island NY-NJ-CT, Los Angeles-Anaheim-Riverside CA, Chicago-Gary-Lake County IL-IN-WI, Washington-Baltimore DC-MD-VA, San Francisco-Oakland-San Jose CA, Philadelphia-Wilmington-Trenton PA-NJ-DE-MD, Detroit-Ann Arbor MI, Dallas-Fort Worth TX (defined as of April 1, 1990, with the exception of the newly consolidated Washington-Baltimore region which I have adopted to conform with current practice).

[7]What follows is a heavily abbreviated version of confusing Census Bureau definitions. For more detail, see Appendix 1, U.S. Bureau of the Census, *State and Metropolitan Data Book, 1991*, (U.S. Government Printing Office: 1991). A Metropolitan Statistical Area, or MSA, begins with a city that, with contiguous densely settled territory, constitutes an urbanized area (another Census definition) of at least 50,000 population. Any county with at least 50 percent of its population residing within this central urbanized area is designated the (or a) central county of the MSA. Outlying counties are added to the MSA if their resident population exceeds certain thresholds regarding (1) commuting to the central county and (2) population density. Finally, adjacent MSAs are consolidated if total commuting between them exceeds 15 percent of the workers in the smaller MSA, and if the combined population of the CMSA exceeds one million. This is important since it is these commuting relationships that help explain the focus of this study on CMSAs rather than their component MSAs. (The component MSAs of a CMSA are designated as Primary Metropolitan Statistical Areas, or PMSAs.) Also, important for reading this report is the definition of the central cities of metropolitan area. Central cities include the largest city in an MSA, all other cities with a population over 250,000 or employment over 100,000, and all other cities with a population exceeding 25,000 and an employment/residence ratio exceeding 0.75.

[8]We had hoped to add the transit systems of all our study MSAs to this report, for reasons made clear in Section 3. However, it proved impossible to gather complete and comparable data for all the metropolitan areas. The best strategy appeared to be the timely dissemination of this report and to allow local experts to determine the relationship between employment location and transit access.

near the city but outside the PMSA boundaries. (In Figure 1, the City of Chicago is indicated by the arrow.)

Figure 1. Highlighting the Chicago PMSA within the More Broadly Defined Chicago CMSA

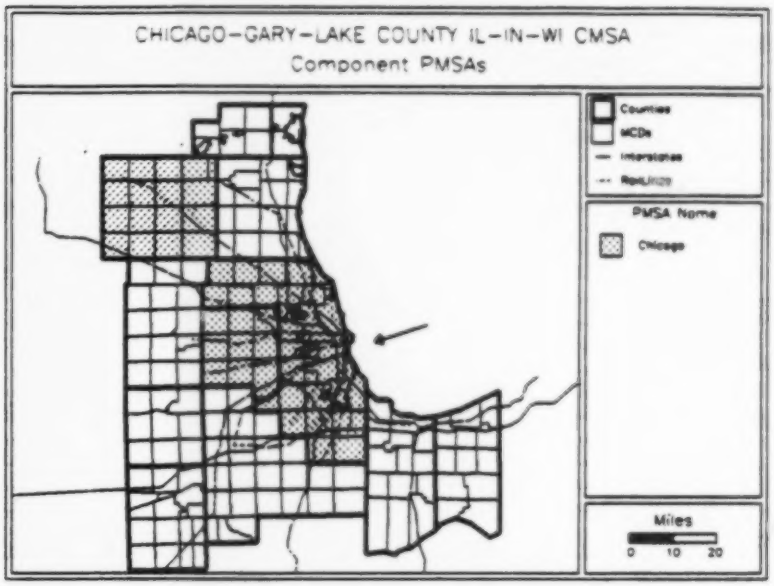


Figure 2 displays all six of the component PMSAs of the Chicago-Gary-Lake County IL-IN-WI CMSA. These PMSAs are linked by economy as well as by geography. The map shows that the six PMSAs are contiguous. But the Census definition of a CMSA (see Footnote 7 on Page 4) also requires that component PMSAs have a significant degree of commuting across PMSA boundaries. And so, importantly for our purposes, these are not just many metropolitan areas that happen to be next to one another. Rather, these PMSAs are an integrated metropolitan system defined precisely by the fact that thousands of commuters cross PMSA boundaries every day. In many ways, the "edges" of the PMSAs, and not their formerly central cities, are the most important locations in the metropolitan area. This is the landscape with which antipoverty strategists must come to grips when they make assumptions about the location of households and workplaces and then imagine policies to change those locations.

Figure 2. The Six Component PMSAs of the Chicago CMSA

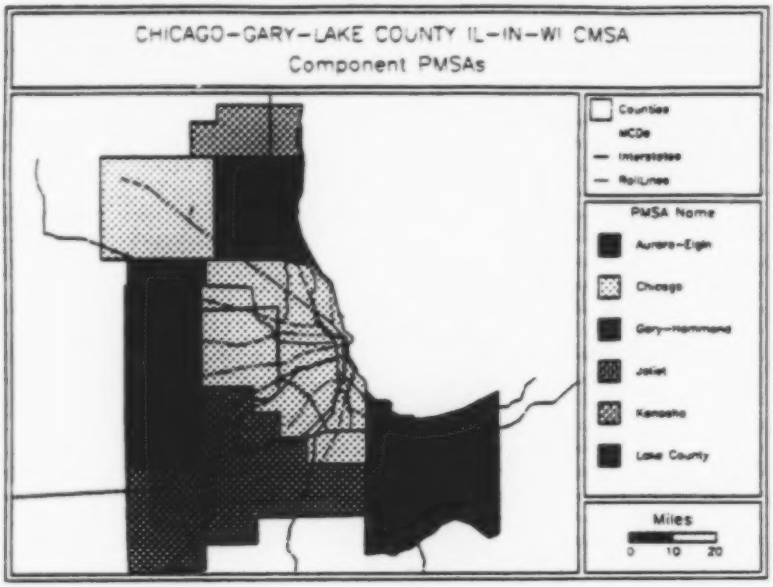
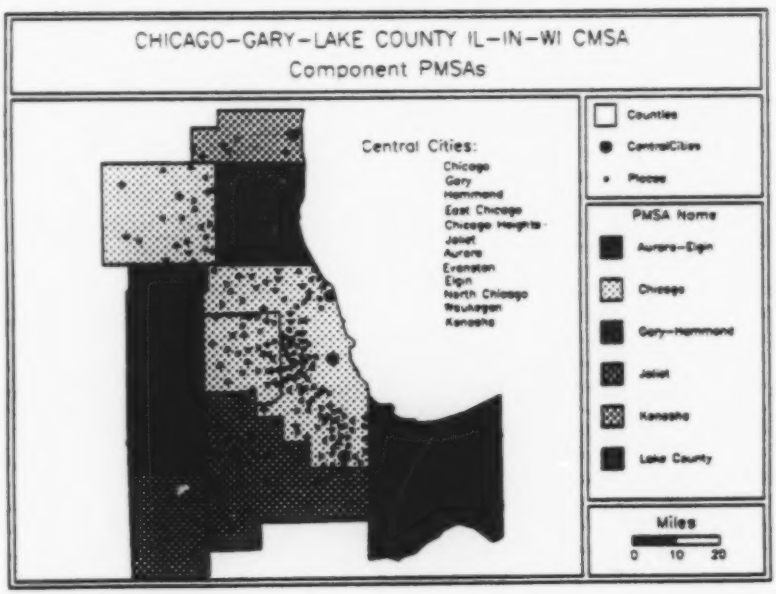


Figure 3 presents one last bit of explanation before moving on to the findings of the next section which focuses on differences between central cities and suburbs.

Figure 3. The Twelve Central Cities and other Employment Locations in the Chicago CMSA



BEST COPY AVAILABLE

Central cities may be thought of as the historical core of a metropolitan area. Every PMSA has a designated central city, and therefore CMSAs always have more than one central city. Also, individual PMSAs often have more than one central city within their own boundaries (reflecting a earlier consolidation of once-distinct urbanized areas). The Chicago PMSA, for example, has three central cities—Chicago, Evanston, and Chicago Heights, all in Cook County—while the Chicago CMSA has 12 central cities Figure (Figure 3).

In the next section, we compare a variety of conditions in cities and suburbs for the metropolitan areas in our study. By any measure, disadvantage is concentrated in the central cities of these metropolitan areas, and antipoverty strategists must recognize this concentration as an essential feature of the problems they face.

3. THE GEOGRAPHY OF ISOLATION

In the 1990s, metropolitan areas are no longer dominated by their so-called "central cities". Instead, most residences and, often, most workplaces are now located beyond big-city boundaries in a new kind of suburbia that we are still struggling to understand.[9] At the same time, poverty and disadvantage are concentrated in the former central cities. In this section, we compare conditions in cities and suburbs in the eight largest metropolitan areas and four additional metropolitan areas.

Figure 4. Change in Population, 1980-1990
Shown for the Entire Metropolitan Area, Central Cities Total, and Suburban Total

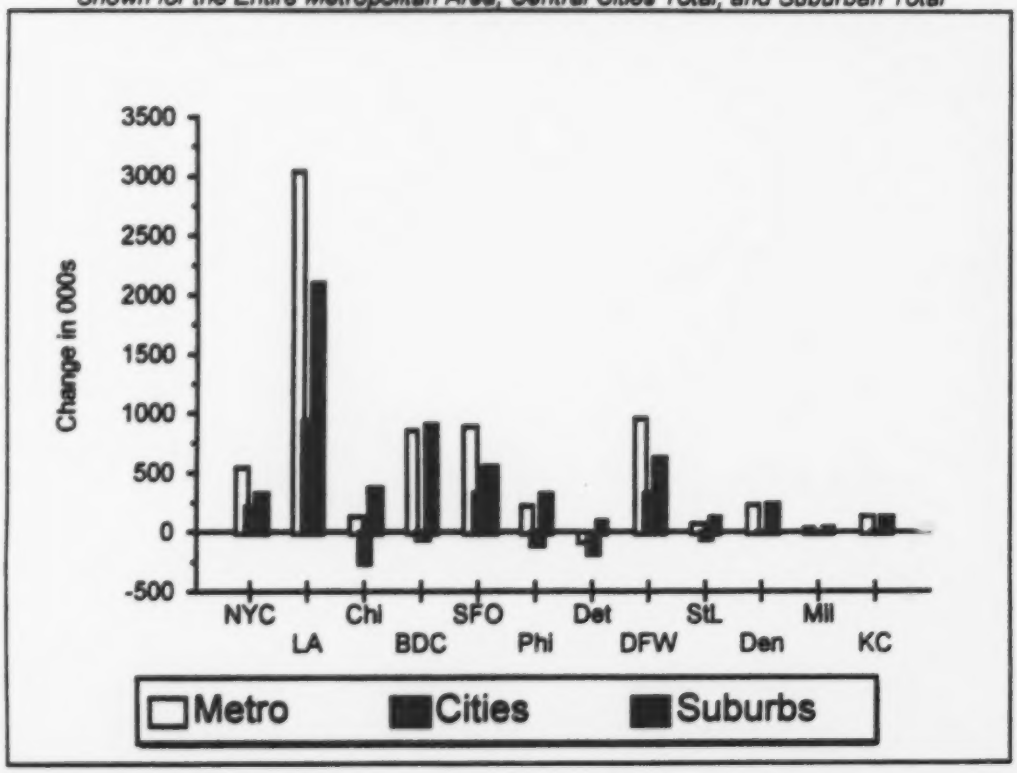


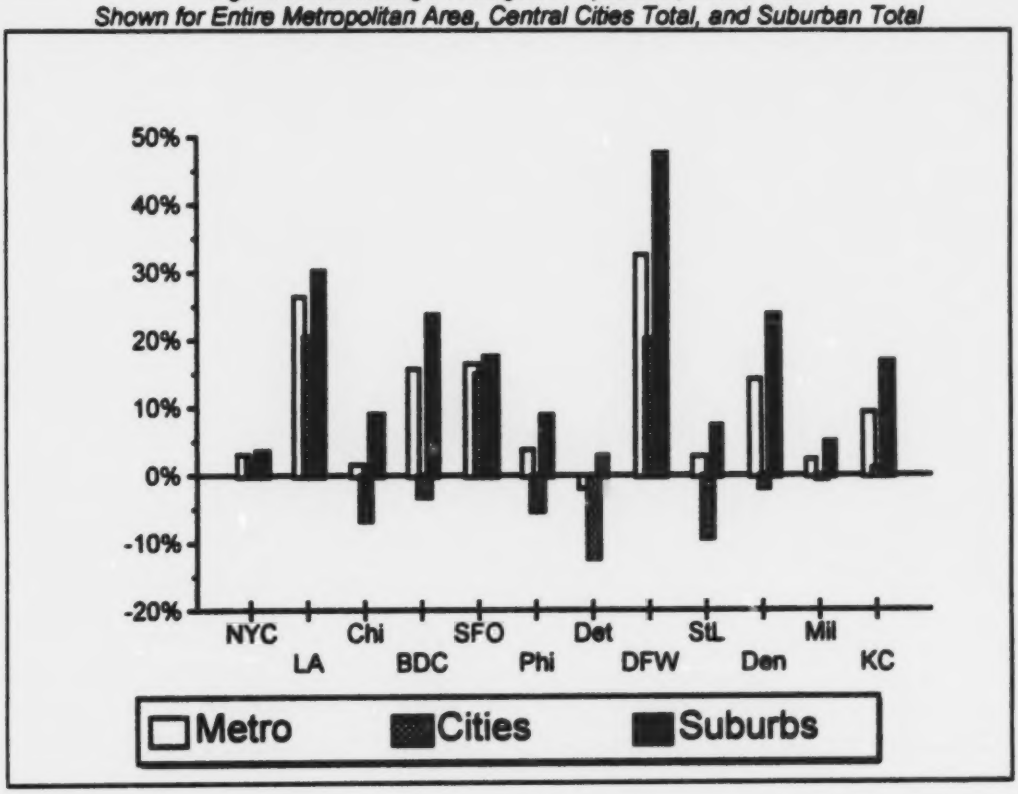
Figure 4 presents the change in population from 1980 to 1990. Of these dozen metropolitan areas, all but metropolitan Detroit gained in total population during the 1980s. The metropolitan areas are arranged in the figure from left to right in order of total population size in 1990. ("BDC" which refers to the Baltimore-Washington MD-VA-DC CMSA and "DFW" refers to the Dallas-Fort Worth TX CMSA.) So although metropolitan New York-Newark is still the largest settlement, by far the largest

[9]For a thoughtful discussion of the issues, see Anthony Downs, "The Need for a New Vision of U.S. Metropolitan Areas". Goldman Sachs Real Estate Discussion Paper, 1989. For an introduction to the research debates, see William Frey and Alden Speare, "U.S. Metropolitan Area Population Growth: 1960-1990" (Research Report No. 91-212, May 1991). For a more popular introduction, see Joel Garreau, *Edge City: Life on the New Frontier* (New York: Doubleday, 1991).

increase in population occurred in metropolitan Los Angeles (3 million versus one-half million). In fact, the four largest gains in population occur in "sunbelt" metropolitan areas: Los Angeles, Dallas-Ft.Worth, San Francisco-Oakland, and the "border" MSA of Washington-Baltimore.

However, consider where this population growth was located within the metropolitan areas. In seven areas, the central cities lost population during the 1980s. Perhaps the most dramatic shift was in metropolitan Washington-Baltimore where the central cities lost population even though the CMSA gained nearly a million new residents—all of them in the suburbs. Metropolitan Chicago had the largest decline in central city population, losing over one-quarter million persons during the 1980s. Even the cities with the largest population growth during the 1980's (Los Angeles, San Francisco-Oakland, and Dallas-Ft.Worth) captured only about one-third of their respective metropolitan growth. The older regions of the Northeast and Midwest have declining central cities and growing suburbs (the exception, again, is New York-Newark). The newer metropolitan areas of the West and South have growing cities and (faster) growing suburbs (the exception is Denver).

Figure 5. Percentage Change in Population, 1980-1990
Shown for Entire Metropolitan Area, Central Cities Total, and Suburban Total

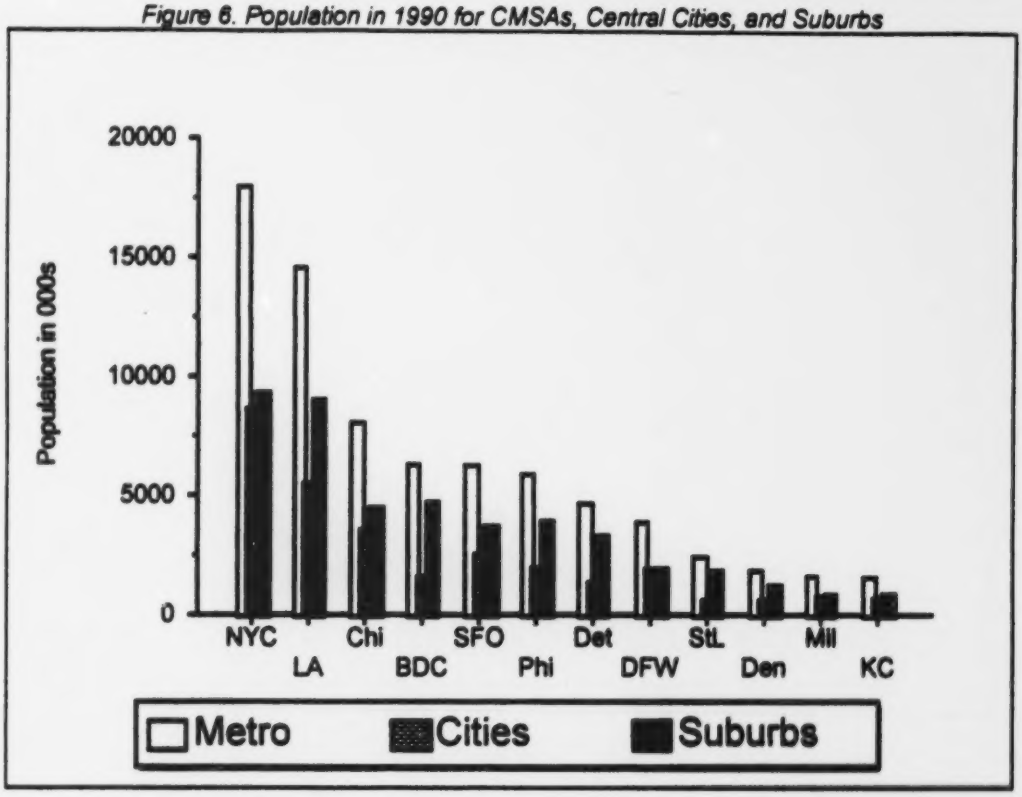


In order to "control for" the relative size of the city and suburban populations,[10] we now compare the percentage change in city and suburban populations. Figure 5 presents these percentages for the cities and suburbs of each metropolitan area. In none of these metropolitan areas is city population growth (if any) keeping pace with suburban population growth.

By 1990, this process of population suburbanization had gone so far that suburban residents outnumbered city residents in all 12 of the metropolitan areas. Figure 6 displays the 1990 population for cities, suburbs, and the metropolitan area as a whole. This figure also shows the differences in the degree of suburbanization across metropolitan areas. Baltimore and Washington, Detroit, St.Louis, and Philadelphia are less than half the size of their surrounding suburbs, while Dallas and Ft.Worth, New York and Newark, and Chicago and Gary are about the same size as their surrounding suburbs. Because of these differences, it is more revealing to use percentages in comparing metropolitan areas, as in the percentage of persons in poverty or unemployed. We follow this method in the remainder of this section.

[10]That is, if the central city population is, say, one-half the size of the suburban population, then we might expect the city column to be one-half the height of the suburban column in Figure 4. But if the city population was, say, twice as large as the suburban population, then extensive suburbanization would be indicated if the city gained only one-half as many persons as the suburbs. We can make these controlled comparisons by comparing the percentage change in city and suburban populations.

Figure 6. Population in 1990 for CMSAs, Central Cities, and Suburbs

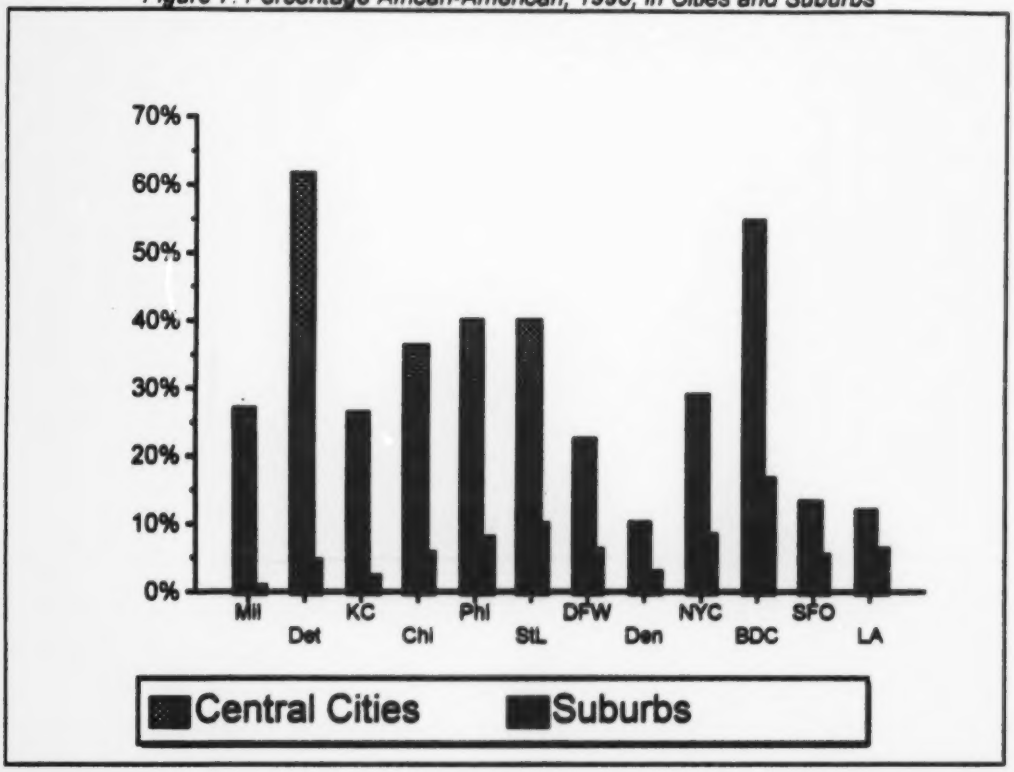


It is important to note that this process of suburbanization has not been uniform. The most extreme example is the continuing concentration of African-Americans in central cities. In general, African-Americans are more segregated than any other ethnic group, and this segregation has not declined as black incomes and education have risen.[13] In Figure 7, we consider this segregation at the very gross scale of city and suburbs. The figure shows the percentage of the population in 1990 in central cities and suburbs that was African-American. In metropolitan Chicago, for example, the central cities were 36.3 percent black and the suburbs were 5.6 percent black. That is, the city percent black in metropolitan Chicago was about six-and-a-half times that of the suburban percent black (36.3/5.6). Note that, with no racial segregation, the percentage in the cities and suburbs would be the same. Since metropolitan Chicago as a whole was 19.2 percent black in 1990, the cities in the region had

[13]This has been well-established in an influential series of papers by Douglas S. Massey and his co-authors. These include Massey and Nancy A. Denton, (1987) "Trends in the Residential Segregation of Blacks, Hispanics, and Asians" in *American Sociological Review*, 52:802-25; and Massey, (1990) "American Apartheid: Segregation and the Making of the Underclass" n *American Journal of Sociology* 96:329-57.

about twice and the suburbs had about one-quarter as many African-Americans as they would have had with no racial segregation.

Figure 7. Percentage African-American, 1990, in Cities and Suburbs



In every one of these metropolitan areas, the percentage of the city population that was African-American was at least twice as high as the suburban percentage, and in half of them it was at least four times as high. Note that the columns have been rearranged to give us additional information. Now, metropolitan areas are presented in order of their ratio of city and suburban percent black, from most divergent on the left to least divergent on the right. In Milwaukee, the most divergent metropolitan area, the central cities were 26.9 percent black and the suburbs were 0.8 percent! Even in metropolitan areas with large suburban African-American populations, the pattern of black city/white suburbs remains very strong.[14] For example, the Baltimore-Washington CMSA has the nation's largest suburban black population, 788,000 in 1990. This is over three times the size of Chicago's suburban black population. But still, suburban Baltimore-Washington had only about two-thirds as many suburban blacks as it would if there were no racial concentration. (And of course, this level of analysis neglects the fact that a majority of the CMSA's suburban blacks reside in a single county of the region, Prince George's, Maryland. As this shows, suburbanization alone is a poor indicator of integration.)

[14]Non-Hispanic whites are a majority in the suburbs of all 12 metropolitan areas. In fact, the suburbs are more than 80 percent white in nine of the metropolitan areas (all except Los Angeles, San Francisco-Oakland, and Washington-Baltimore).

So, cities remain disproportionately black and, in every one of our study areas, most metropolitan African-Americans reside in central cities. Obviously, this discussion is far from exhaustive, nor is it intended to substitute for an examination of racial segregation at the level of neighborhoods within cities and suburbs (which is the scale to which most people refer when they speak of segregation). Instead, we intend simply to demonstrate the degree to which African-Americans are concentrated in central cities.[16] The following graphs present some of the economic conditions (poverty, unemployment, and job growth) in these central cities compared to those in their surrounding suburbs. The fact that these problems are borne disproportionately by African-Americans has implications for policy strategy.

Figure 8 compares the poverty rates in cities and suburbs. Again, the metropolitan areas are arrayed from left to right in descending order of the city/suburban ratio of poverty rates. Cities are much poorer than suburbs: in metropolitan Milwaukee, Chicago, Detroit, and Philadelphia, central cities are four times poorer; in metropolitan Baltimore-Washington, New York, St.Louis, and Denver, cities are three times poorer; and in metropolitan Kansas City, Dallas-Ft.Worth, San Francisco-Oakland, and Los Angeles, cities are about twice as poor as their suburbs.

In this graph, and in all the later graphs, we see the presence of a strong regional pattern. The metropolitan areas fall into perfect frostbelt/sunbelt categories. Metropolitan Milwaukee, Chicago, Detroit, Philadelphia, Baltimore-Washington (something of a "border" area), New York, and St.Louis have the greatest city/suburban disparities. Metropolitan Denver, Kansas City, Dallas-Ft.Worth, San Francisco-Oakland, and Los Angeles have the smallest disparities.

As used here, frostbelt and sunbelt are abbreviations for the many dimensions along which these metropolitan areas differ. Obviously, climate is one. History is another. The frostbelt metropolitan areas expanded to metropolitan scale earlier than the sunbelt metropolitan areas. This history holds implications for the demography of these areas, for the age of their housing stock and infrastructure, for the types of industries located there, and so on. They also differ in terms of what we might call the technology of their settlement structure. For example, the commuter transportation system of Chicago is not simply older than that of Dallas-Ft.Worth; it is also based on a different technology. Chicago depends on a mix of trains based on fixed-rail systems and of automobiles based on road systems. Dallas-Ft.Worth remains almost wholly dependent on the latter.

[16]The general pattern holds for all minorities. We focus here on African-Americans in order to facilitate the exposition—we have much data to present. Those interested in more detail on residential patterns should see the definitive Michael White, *American Neighborhoods and Residential Differentiation* (New York: Russell Sage: 1987).

BEST COPY AVAILABLE

Figure 8. Poverty Rates, 1990, in Cities and Suburbs

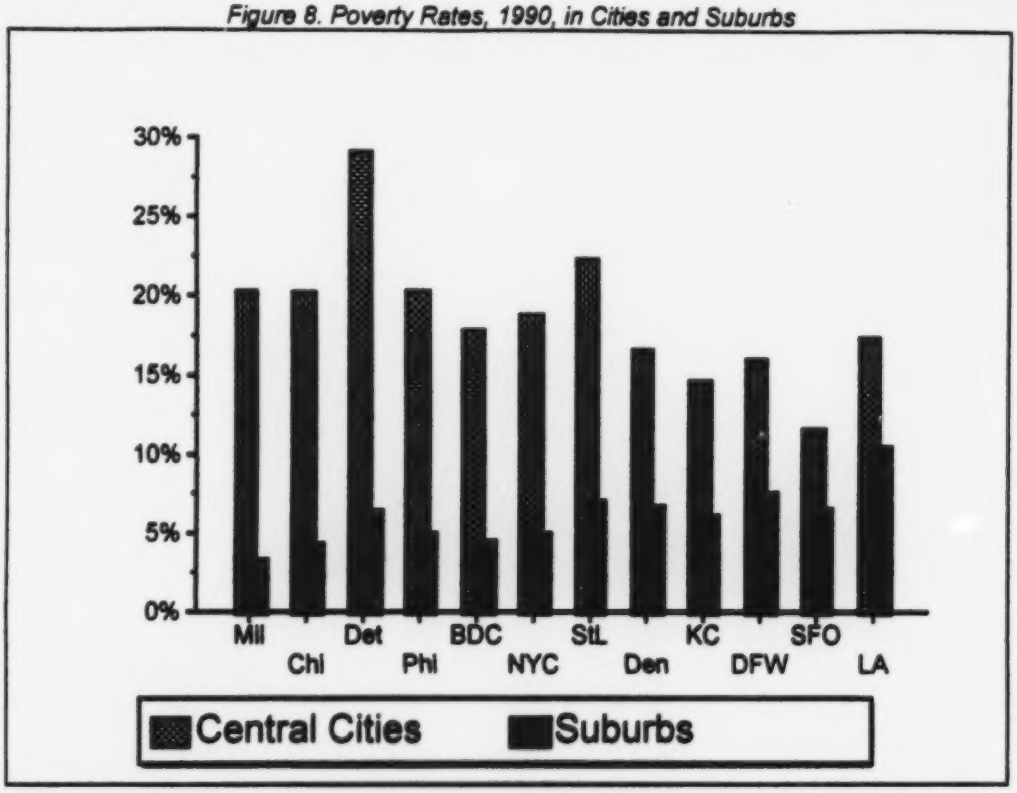
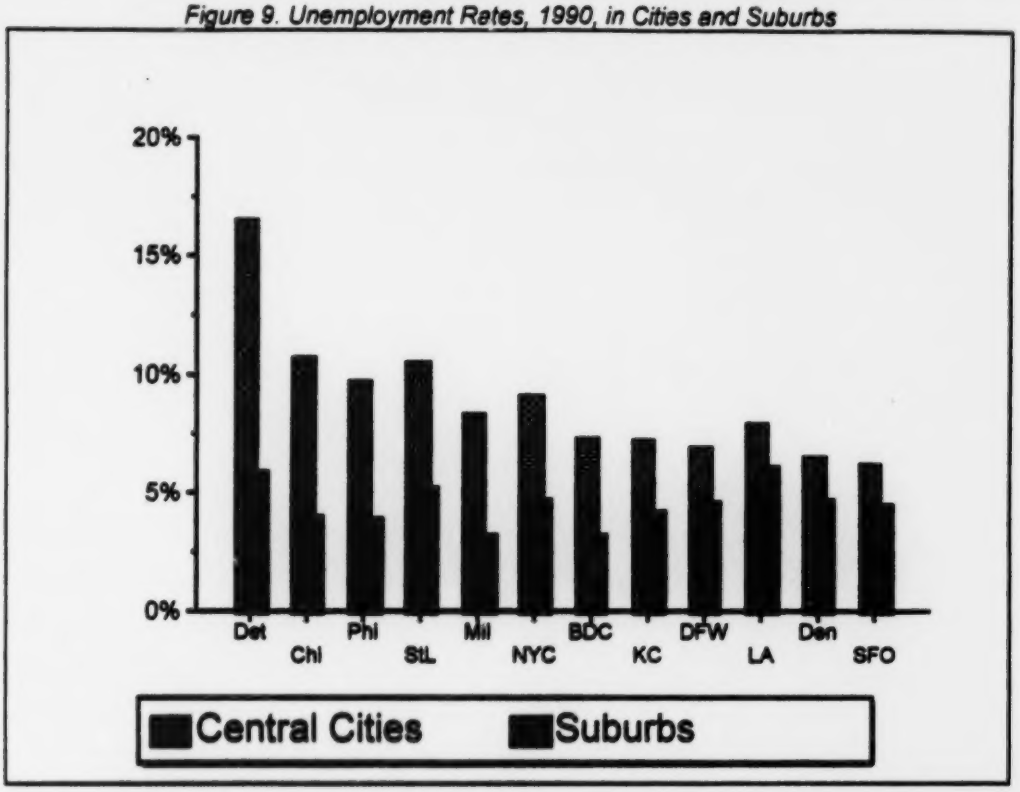


Figure 9 displays the unemployment rates in cities and suburbs. We array the metropolitan areas from the largest city/suburban difference in rates on the left to smallest difference on the right. The differences range from 11 percentage points in metropolitan Detroit to less than 2 points in Los Angeles. The unemployment differences between cities and suburbs are smaller than the differences in poverty rates. This is not surprising. Persons can be poor for many reasons: because they are elderly, disabled, children in poor households, and/or because they are unemployed or employed but paid low wages. The unemployment rate, however, is a very different kind of indicator. It is focused on a specific group of people: those adults of working age who are actively looking for work and cannot find it. It does not include people who might be so discouraged by their prospects that they have given up looking, nor does it include people who might be working part-time but would rather work full-time, nor does it include people who, some might say, are too lazy to look for work. It is a much more powerful indicator (than poverty rates) of the disadvantage of city residence.

In every metropolitan area, the city unemployment rate is higher than the suburban unemployment rate. In every rustbelt metropolitan area (on the graph, from Detroit to Washington-Baltimore), the city rate is at least 4 points higher than the suburban (it is also at least twice the suburban rate!). Once again, the sunbelt metropolitan areas display less city/suburban disparity: 2-3 point differences in each case.

Figure 9. Unemployment Rates, 1990, in Cities and Suburbs



Much has been written about the link between inner city poverty and unemployment (also, lower earnings and even social deviance) on the one hand and the suburbanization of unemployment on the other. This link is known to social scientists as the "spatial mismatch" hypothesis and the debate over its veracity is now 30 years old.[18] Although this report is clearly sympathetic to the mismatch hypothesis, it will not contribute to the complex scientific debate on the question. Rather, we simply seek to suggest why the mismatch seems like such a compelling partial explanation for inner city poverty. Again, the "test" would come only from a well-designed demonstration.

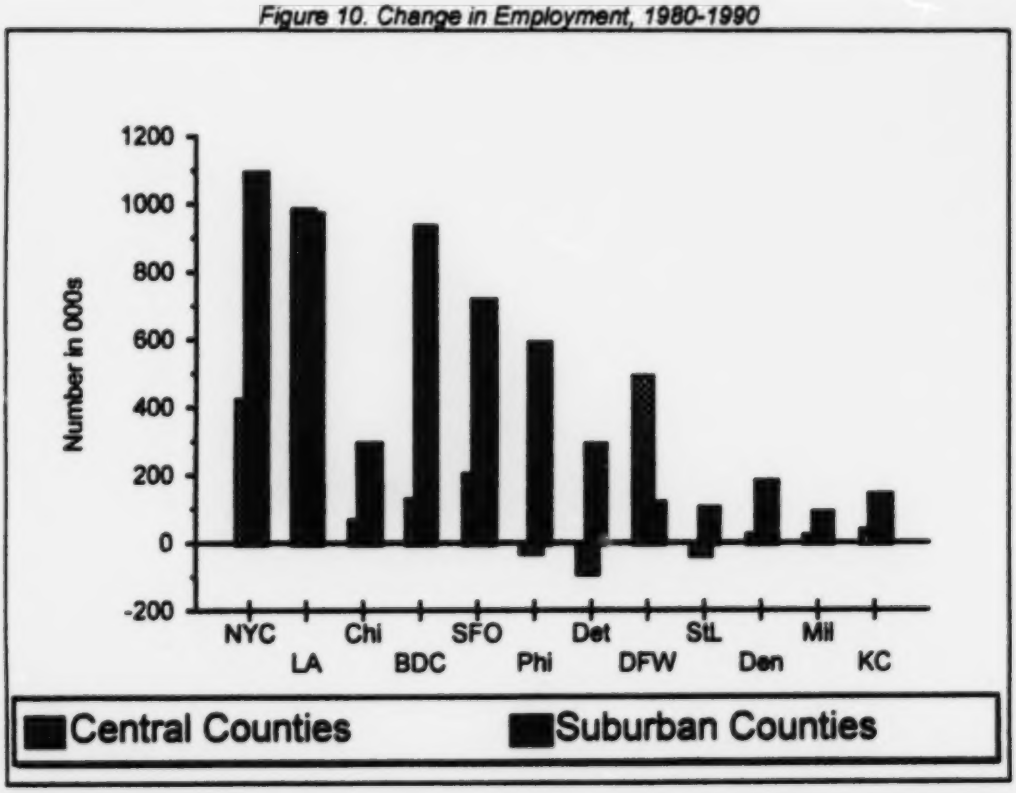
Many statements of spatial mismatch use very simple categories, such as cities and suburbs, to document job suburbanization. Many conventional data sources report only this level of geographical detail. In fact, it is difficult to get even city-level employment data for census decades. Most studies must rely on county-level data to track changes in employment at the location of the job (such as the County Business Patterns.)

Figure 10 shows the change in employment between 1980 and 1990 for central counties and suburban counties in each metropolitan area (see Footnote 7 on Page 4 for the definition of central county). The reliance on county data has three

[18]For an excellent introduction to this now large literature, see Hilary Silver, Michael White, and John Iceland, "Job Suburbanization and Black Disadvantage: A Dynamic County-Level Test of the Mismatch Hypothesis" (Working Paper, Department of Sociology, Brown University, August 1993). This study also demonstrates the difficulties in sorting out definitive effects from these complex processes.

important consequences. First, it means the employment numbers are not comparable to all the preceding numbers, which have been based on central cities, not central counties. Second, the relationship between cities and counties varies widely across metropolitan areas. For example, Philadelphia City and County share the same boundary, while Los Angeles City and *all* of its PMSA suburbs are contained within Los Angeles County; so, in Philadelphia "central county" equals "central city" whereas in Los Angeles "central county" equals "primary metropolitan statistical area". Third, since central counties are usually much larger than the central cities they contain, the figure understates the degree to which new jobs are located outside central cities. That is, new jobs located outside Los Angeles City but inside Los Angeles County are placed in the central, not the suburban, column of Figure 10.

Figure 10. Change in Employment, 1980-1990



In spite of this last bias, the figure shows an enormous degree of employment suburbanization during the 1980s. In every metropolitan area, employment growth was disproportionately located in the suburban counties (even in Los Angeles and Dallas-Ft.Worth). In six of the eight largest metropolitan areas, most if not all job growth during the 1980s was located in the suburbs. In the nine areas visited by P/PV operations staff (chosen by virtue of their extreme job suburbanization), more than 90 percent of job growth was located outside the central county in every CMSA

but San Francisco-Oakland.[17] The suburbs appear to be the engines of employment growth in these 12 metropolitan areas.

In sum, there is an extreme pattern in these metropolitan areas: poverty and joblessness are concentrated in formerly central cities while prosperity and job growth are deconcentrating toward the metropolitan periphery. [18]

But these data raise more questions than they settle. First of all, we must understand employment changes in the actual central cities of these metropolitan patterns. This consistency is important for making comparisons with the earlier data on central city poverty and so on. But it is even more important for policy studies. Cities are jurisdictions within which decisions are made and services delivered. City boundaries often mark stark differences in race, taxation, school quality, and presumably in employment change. Central counties are a poor marker for central cities, especially when we focus on the real world of policy making and implementing. Second, most previous studies of employment location within metropolitan areas have reported only county-level data. However, because counties are so large, this technique represents only a small improvement over the simple city-total/suburban-total distinction. The latter is not helpful when it comes to employment location because it creates the impression that jobs are scattered across the suburban countryside. In order to clarify our understanding of employment suburbanization, we need information on what is occurring at the local level within "suburbia", where patterns of job location probably have more to do with interstate highways than county boundaries. Only at this level of detail, can we usefully consider the accessibility of suburb jobs for central city residents.

[17]Which, because the definitions discussed above, must count all of Alameda County (which contains Oakland) as "central".

[18]Readers of the scholarly literature on spatial mismatch will note, with Harry Holzer, that mismatch can be said to exist only if labor supply does not adjust to changing labor demand—in our terms, spatial mismatch would exist if a change in employment location (labor demand) was *not* followed by a change in residential location and/or commuting patterns (both labor supply). For policy purposes it is more important, in our judgment, to document where the jobless are now and so we omit a discussion of how local joblessness has changed over time. But the dynamic effect is the proper measure for the mismatch issue itself. Though not our agenda here, we can confirm for those interested that city/suburban unemployment ratios diverged during the 1980s. Though we have not correlated the divergence of ratios with the suburbanization of employment across our small (and biased) sample of metropolitan areas, the rustbelt areas had the greatest divergence. For a discussion of the salient research issues, see Harry J. Holzer (1991), "The Spatial Mismatch Hypothesis: What has the Evidence Shown?" in *Urban Studies* (28:105-22).

BEST COPY AVAILABLE

4. THE GEOGRAPHY OF OPPORTUNITY

In this section, we examine the location of new jobs in our metropolitan areas. We return to the Chicago example to introduce the data used in this section. In Figure 3, the smaller circles mark the center of each census place in the Chicago CMSA (census places are essentially all incorporated places and special census-designated places of 1,000 persons or more, that are identifiable as a single place but are not legally incorporated). The Economic Censuses (the Census of Manufacturing, the Census of Retail Trade, etc.) provide detailed information on firms every five years. Most important for this report, the Economic Censuses also present how many employees in each industry actually work *at* all census places at which there are at least 350 employees (450 for manufacturing). The downside of this detailed data source is that the most recent available Economic Census is for 1987. So we must sacrifice some timeliness for nationwide detail.

In the following series of maps, we use this information to measure the change between 1977 and 1987 in employment for three major industries (manufacturing, retail trade, and services) at locations throughout this study's nine metropolitan areas. Together these three industries represented 72 percent of the national labor market in 1987.[19]

For each metropolitan area, we present six maps, two maps for each of the three industries. For each industry, the first map shows the change in the number of paid employees in the industry who work at each census place in the metropolitan area. The filled circles at the center of each place are proportional in size to change in the number of workers at that place: the larger the circle, the larger the change. Red circles indicate a decrease in workers and black circles represent an increase in workers. For example, Figure 11 shows the change between 1977 and 1987 in the number of manufacturing production workers at locations throughout the Chicago CMSA. The City of Chicago lost about 105,000 manufacturing production workers during the period, and Gary and Hammond lost comparably large numbers. All of the region's central cities (Evanston, Kenosha, Joliet, Aurora, Elgin, etc.) and most of the inner suburbs of Cook County lost manufacturing jobs. As a whole, the region lost 141,000 manufacturing production jobs.

[19]The following definitions are paraphrased from "Source Notes and Explanations" (pp315-320) in U.S. Bureau of the Census, 1991 State and Metropolitan Area Data Book (U.S. Government Printing Office, 1991). The Economic Censuses are conducted on an establishment basis. An establishment is defined as a single location where work is performed. Manufacturing is defined as the mechanical or chemical transformation of substances or materials into new products. The assembly of component parts of products also is considered to be manufacturing if the resulting product is neither a structure nor other fixed improvement. (Construction is covered by a separate Economic Census.) Throughout this report, we refer only to production workers in manufacturing. Production workers include workers up through the line-supervisor level. Retail Trade is defined as the selling of merchandise for personal or household consumption and of services incidental to the sale of merchandise. Examples include department stores, food stores, auto dealers and gas stations, drug stores, and restaurants and bars. Service industries are defined as establishments that render a wide variety of services to individuals, businesses, and other organizations. Examples include hotels, auto repair and parking, amusements (e.g., movie theaters and museums), business services (e.g., advertising, security, maintenance, and secretarial), health services (e.g., hospitals, HMOs, and hospices), and legal services (e.g., law firms and legal aid societies).

But notice that this gloomy overall picture contains some selective bright spots (which would be hidden in regional statistics, or in city/suburb statistics, alone). In particular, the suburbs west of O'Hare Airport in DuPage and northwestern Cook Counties (e.g., Schaumburg) show considerable increases in manufacturing production employment. This kind of clustering, and airport-centered clustering in particular, is seen in many of the maps.

These maps are useful for identifying emerging employment-growth locations in a metropolitan area, and for comparing the relative employment growth of central cities and suburbs. However, when we focus our attention on local labor market prospects, we need to examine the changing location of employment *and* population. Losing 10,000 jobs in a county probably would not strain the local labor market if the county lost 30,000 residents at the same time. So we need to have a sense of the changing ratio of jobs and people. Furthermore, the mismatch argument requires evidence about the spatial distribution of labor demand and supply. In simple terms, spatial mismatch means that some parts of a metropolitan area have more jobs than workers while other places have more workers than jobs. So we need to know how the changing ratio of jobs and people varies across different parts of the metropolitan area.

In the second map for each industry, we attempt to identify possible mismatches. This map displays the change in the ratio of jobs to population in each county as well as in the largest central city(ies) of the metropolitan area. We can think of this ratio as a measure of the changing employment density or employment opportunities of a county. (We return to the county scale since mismatch, and this ratio, only makes sense over a distance and area greater than individual places.) The ideal measure of employment opportunities and excess labor demand, of course, would be job openings in places across the metropolitan area, not data on filled jobs. But there are no data on job openings by industry for local places within regions across the nation. So, we proxy employment opportunities and labor demand with changes in employment density, or jobs per capita. Surely, employment prospects are brighter in places with an increasing number of jobs per person than in places with decreasing jobs per person.

For example, in Figure 12 we present the changing number of manufacturing production jobs in the Chicago CMSA per 100 residents in each county and in the City of Chicago of the Chicago CMSA. We divide the counties into three broad categories of change. In Figure 12, the red areas lost three to six production jobs per 100 residents between 1977 and 1987.[20] These are large losses and the map graphically shows the collapse of manufacturing during the 1980s in metropolitan Chicago. The yellow areas lost one to two production jobs per 100 residents during the period. Most of the region falls into this category. (The region as a whole lost two jobs per 100 residents, falling from about 11 per 100 in 1977 to about nine per 100 in 1987.)

Once again, however, we see that parts of the region survived the manufacturing crash. DuPage and Kendall counties had the same number of manufacturing

[20]Data availability forces us to compare job change to total resident persons rather than to the labor force or to the number of households. As an estimate, the red-shaded change in Figure 12 translates into about 8 to 16 fewer jobs per 100 households and 6 to 12 fewer jobs per 100 persons in the labor force.

production jobs *per capita* in 1987 as in 1977. This despite the facts that the region as a whole lost 141,000 such jobs and both counties gained population during the period—DuPage's population growing nearly 20 percent between 1977 and 1987!

We provide these two maps of changing local employment and changing county jobs/resident ratios for each of the three major industries. For example, Figure 13 displays the changing *retail trade* employment at places throughout the Chicago CMSA, and Figure 14 displays the changing ratio of retail jobs to resident population in the counties and the City of Chicago. Figure 15 and Figure 16 show the same changes for *service* employment.

In metropolitan Chicago, each industry presents a distinct locational pattern. Manufacturing declined regionally, with enormous losses in the region's central cities, proportional losses in most places throughout the region, and occasional gains in some places and especially in DuPage County. Retail trade increased regionally by about 67,000 jobs. However, the City of Chicago *lost* about 24,000 retail jobs during the period, and there were fewer retail jobs per capita in 1987 than in 1977. Here we see an example of absolute suburbanization, with job loss in the city (indeed, in all the central cities of the CMSA) and job gain in the suburbs (especially in the suburbs along the region's I-290/I-294 beltway).

Service industry employment presents a different pattern—relative suburbanization—-with growth in both cities and suburbs but at a higher rate in the suburbs. As a whole, the CMSA gained about 311,000 service jobs and the City of Chicago gained about 83,000. But note two things. First, fewer jobs were gained in services than were lost in manufacturing and retail (there were about three more service jobs per 100 Chicago residents in 1987 than in 1977). Second, 73 percent of new service jobs were located outside the City (only 45 percent of service jobs were located outside Chicago in 1977). So, although service employment is often considered the great comparative advantage of central cities, and although this was a growth area for Chicago during the period, even service jobs were shifting rapidly to the suburbs.

Rather than continuing to burden the reader with a detailed exegesis of each metropolitan area's six maps, we will simply summarize the patterns (and exceptions) across all the maps.

The total number of manufacturing production jobs declined in all the metropolitan areas, except San Francisco-Oakland and Denver-Boulder. In every large city[21] the ratio of production jobs to residents fell, except in San Francisco and Washington. In the cities of Chicago, Philadelphia, Detroit, and Milwaukee, there were three fewer manufacturing jobs per 100 residents in 1987 than in 1977 (therefore, about six fewer per 100 persons in the labor force). Ten of the 12 large cities were in the most distressed category (the red shading)[22] of manufacturing job loss per capita. Yet during the same period, at least one suburban county (and typically two or three) in

[21]This refers to the following twelve cities: Chicago, Baltimore, Washington, San Francisco, Oakland, Philadelphia, Detroit, St.Louis, Denver, Milwaukee, Kansas City MO, and Kansas City KS.

[22]We use the phrases "red shading", "yellow shading", and "blue shading" as more than simply pointers to the colors on the maps. The phrases also designate the category (low, middle, high) of change in the jobs/population ratio. Since these changes vary across metropolitan areas, the phrases also refer to metropolitan differences. So, "red shading" means "a change in employment opportunities that is low *for that metropolitan area*", and "blue shading" means "a change in employment opportunities that is high *for that metropolitan area*".

every metropolitan area retained the same ratio of manufacturing jobs per resident—even while their resident populations grew! This outward movement of manufacturing opportunities is perhaps best illustrated in Figure 18, showing that "blue" counties of manufacturing employment stability encircle Washington. (In the same image, Baltimore and its northwestern counties illustrate the more general pattern of manufacturing employment collapse.)

Given the overall decline of manufacturing in these metropolitan areas, the retail and service sectors are perhaps the better sources for employment prospects. All nine regions gained retail and service jobs between 1977 and 1987. The Chicago pattern of city retail decline occurred in only two other large cities: Detroit and Kansas City KS. Only the City of Chicago actually had fewer retail jobs per resident (Detroit and Kansas City KS had the same ratio). However, even the cities with gains in retail employment captured only small shares of their region's overall retail growth. In six of the nine metropolitan areas, more than 95 percent of new retail jobs were located outside the large cities (at least 85 percent were outside the large cities in every metropolitan area). Seven of the 12 large cities are in the lowest category (red shading) of retail change per capita and only one is in the highest category (blue shading).

Large cities fared better with service employment during the period. It increased in every city and region. However, even in this sector no large city captured more than a third of the regional growth in service jobs and, in most regions, more than 75 percent of new service jobs were located outside large cities (disproportionately high growth in every region). Service jobs are not a reliable foundation for a continuing central city role in metropolitan economies. In Chicago, Philadelphia, Detroit, St.Louis, and Milwaukee the increase in service jobs did not offset the decrease in manufacturing jobs. Furthermore, Chicago, Philadelphia, Detroit, Baltimore, Oakland, Milwaukee, and the two Kansas Cities were *not* in their region's highest category (blue shading) of changing service employment opportunity. These cities were being outpaced by their suburban counties even in service employment growth.

The suburbs were the engines of metropolitan employment growth during this period. There were some spectacular examples of this. Two suburban counties were in the highest category of employment opportunity in all three industrial sectors: DuPage County in the Chicago CMSA and Waukesha County in the Milwaukee CMSA exemplify the industrial diversity that once characterized only central cities. Eight other suburban counties were in the highest category in both of the growing sectors, retail and services. These were Montgomery and Howard Counties in the Baltimore-Washington CMSA, Marin and San Mateo Counties in the San Francisco-Oakland CMSA, Montgomery and New Castle Counties in the Philadelphia CMSA, and Oakland and Washtenaw Counties in the Detroit CMSA. *All but one of these job-rich counties are adjacent to the central county(ies) of their metropolitan areas.* Metropolitan employment growth occurred outside central cities but tended to concentrate in adjacent suburban counties.

In addition to these general patterns, there are several conditions in particular regions worth noting. Usually the fortunes of the central city and the central county of a metropolitan area are closely tied, and the divergence occurs with outlying counties. However, Milwaukee and Oakland both show an unusually strong divergence from their own county. The City of Milwaukee had no change in the ratio

of retail jobs per capita (red shading) between 1977 and 1987, while Milwaukee County had one more retail job per 100 residents (yellow shading). The City gained three service-industry jobs per 100 residents (yellow shading), while the County gained five (blue shading). The divergence in local retail employment opportunities was even greater between Oakland and Alameda County. The City of Oakland had no change in the ratio of retail jobs per capita between 1977 and 1987 (red shading), while surrounding Alameda County gained three retail jobs per 100 residents (blue shading).

Metropolitan Kansas City best illustrates the economic-development effects of major airports. A new international airport opened in Platte County in the decade before our 1977-1987 data period. The county's population grew by about 25 percent during the period, yet it retained the same ratio of manufacturing jobs per capita and gained four retail jobs per 100 residents (both, blue shading). Also, metropolitan Philadelphia illustrates high-technology corridor effects familiar in many metropolitan areas. All of the counties with the largest increases in service jobs per capita (the blue shading, five to seven more jobs per 100 residents) are crossed by the region's booming Route 202 corridor, arcing around the western side of the City of Philadelphia.

Severe recession gripped the nation during most of the years since these data were collected. During this period of employment contraction, we may assume that the suburbs did not present the bright employment prospects that we observe in our data from 1977-1987. Witness the changed headlines in *The New York Times* from "Where have all the jobs gone? Follow the crab grass (urban growth versus city decline)" on March 3, 1991 to "Vacated corporate headquarters scatter the suburban landscape" on December 7, 1992.

One response to this turn of events is to assert that employment suburbanization is more fundamental than is the current recession. When the economy returns to health, job growth will almost certainly continued the suburban trends seen during the 1980s. Consistent with this assertion is the fact that the innovative employment programs described in the accompanying P/PV report survived even this recession by connecting their participants to suburban jobs. Thus, this downturn period represents an opportunity to plan programs in anticipation of renewed suburban job growth rather respond to pressures after suburban labor shortages again reach crisis proportions.

A second response to the lag between our data and current conditions is based on conversations in the field between P/PV operations staff and key informants. In every one of the metropolitan areas visited by staff, employment-and-training professionals, business representatives, and regional planning officials reported that suburban labor demand is improving. These informants unanimously expect the mismatch conditions of the late 1980s to recur in their regions. These perceptions are discussed at greater length in the companion report from P/PV.

The evidence presented in this section suggests the virtual necessity of including the suburban labor market in any sustainable inner-city employment strategy. Our argument here is *not* that a ride to a suburban job is all that is needed to solve inner-city unemployment. (Though for some potentially large fraction of the urban unemployed in these metropolitan areas, that may well be enough to find a job or a better paying job.) Nor is our argument even necessarily predicated on the position

that employment alone is sufficient to solve the web of problems called inner-city poverty. (Though again, we are sympathetic with the position that a good job would in fact solve a multitude of problems!)

Rather, our argument is much narrower. Regardless of what an antipoverty strategist proposes to combat urban poverty (boot camps, role models, drug rehab, job training), if *work*, and especially work in the private-sector labor market, plays any part in that strategy, then the dominance of the suburban labor market must be considered. In these nine metropolitan areas at least (which together accounted for nearly one-fifth of the urban poor in 1990), jobs are no longer around the corner. Jobs are over the horizon. Whether policy strategists seek to bring jobs to the poor or bring the poor to jobs, making this connection appears to be an unavoidable component of antipoverty strategy. That strategy can only be improved if policy strategists think more explicitly in these terms. In the next section we expand on the policy implications of this new, unavoidable metropolitan reality confronting inner city policy.

4.1 Chicago-Gary-Lake County IL-IN-WI CMSA

Figure 11. Change in Manufacturing Production Jobs

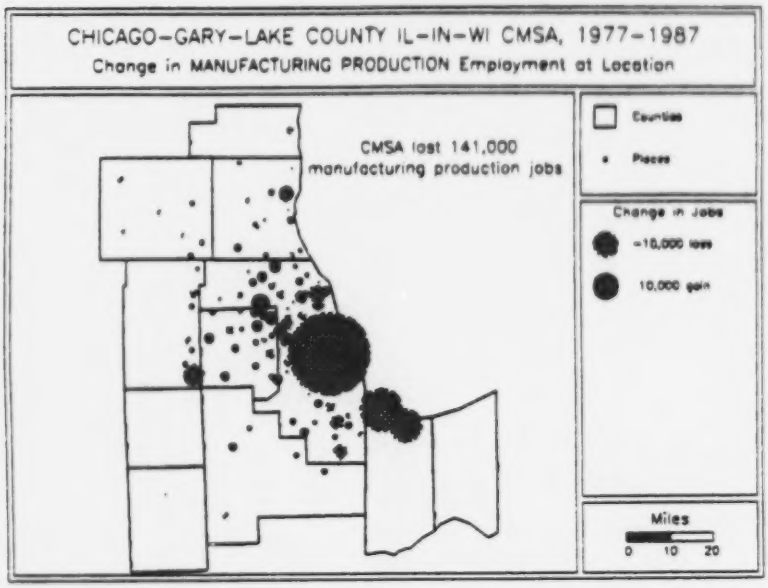


Figure 12. Change in Manufacturing Jobs/Population Ratio

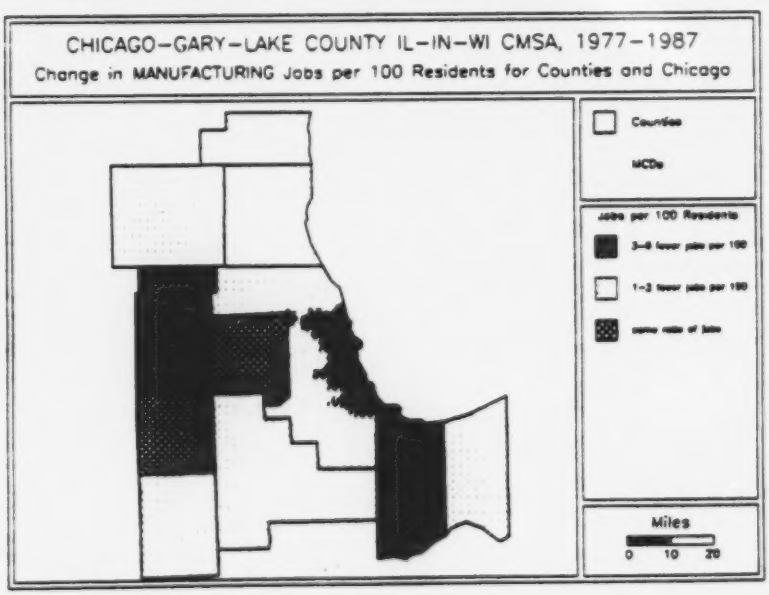


Figure 13. Change in Retail Trade Employment

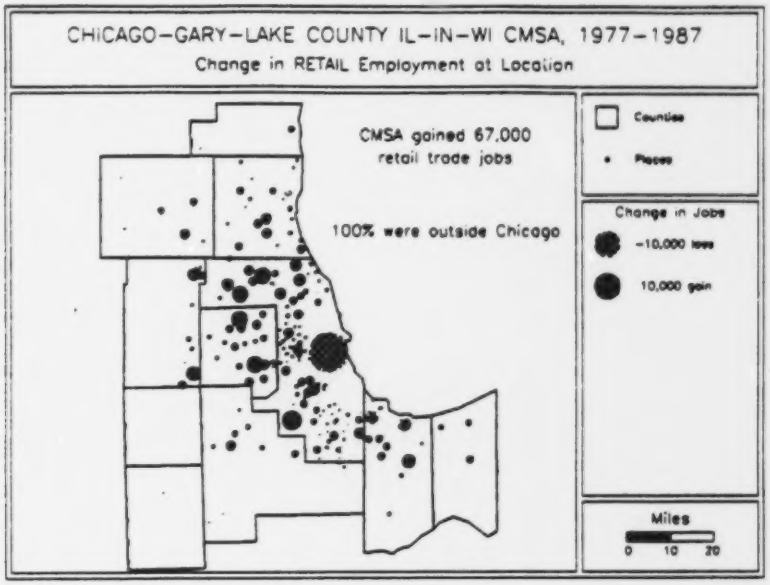


Figure 14. Change in Retail Jobs/Population Ratio

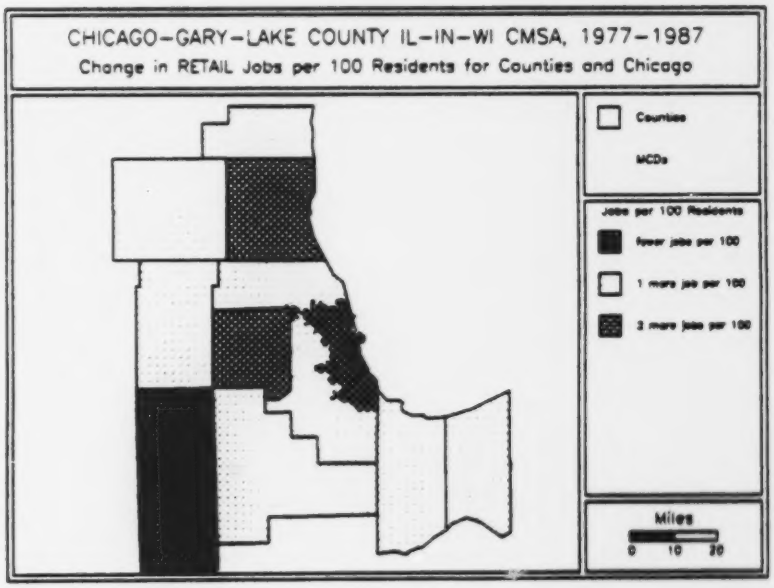

CHICAGO–GARY–LAKE COUNTY IL–IN–WI CMSA, 1977–1987
Change in RETAIL Jobs per 100 Residents for Counties and Chicago
Counties
MCDs
Jobs per 100 Residents
fewer jobs per 100
1 more job per 100
2 more jobs per 100
Miles
0 10 20

Figure 15. Change in Service Sector Employment

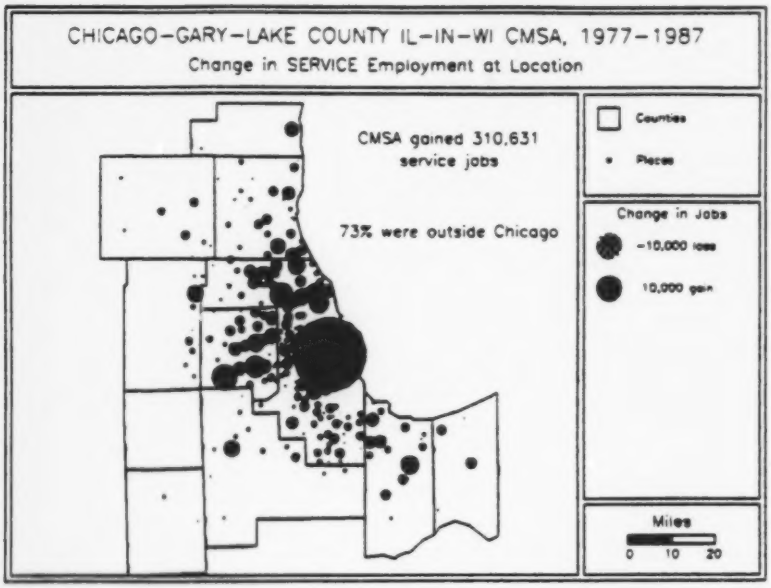
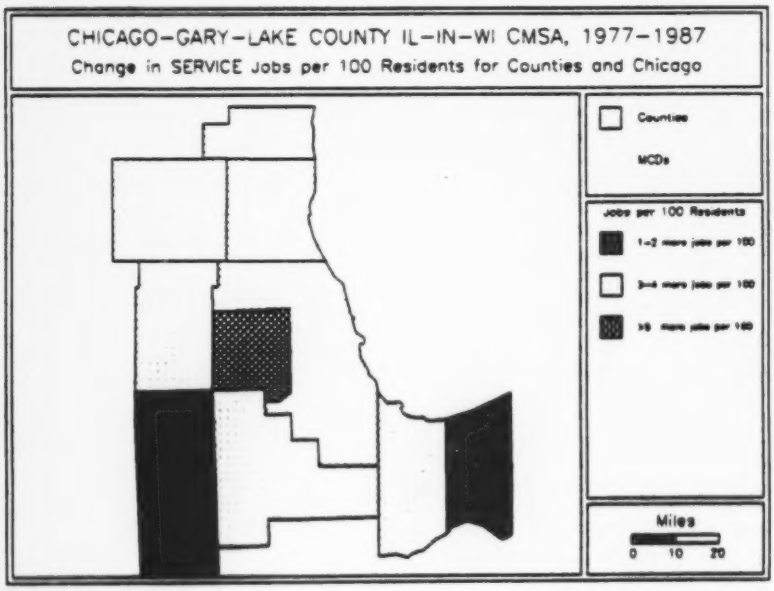


Figure 16. Change in Service Jobs/Population Ratio



4.2 Baltimore-Washington DC-MD-VA CMSA

Figure 17. Change in Manufacturing Production Jobs

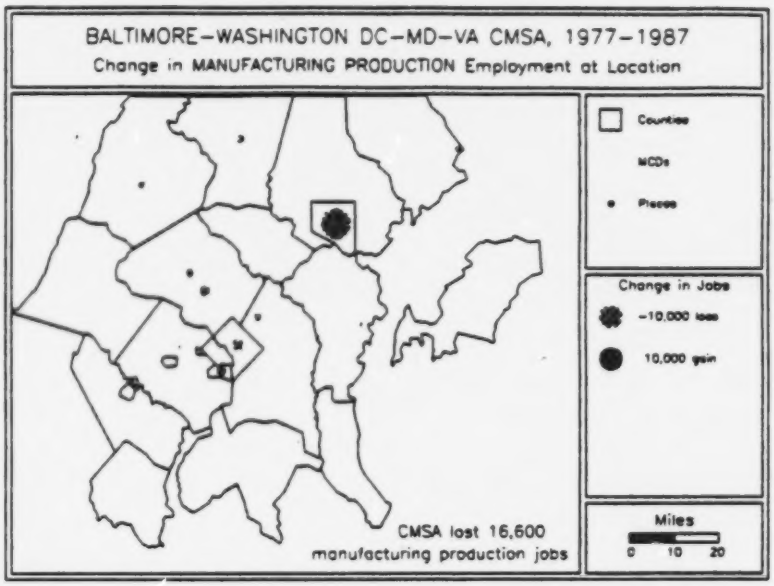


Figure 18. Change in Manufacturing Jobs/Population Ratio

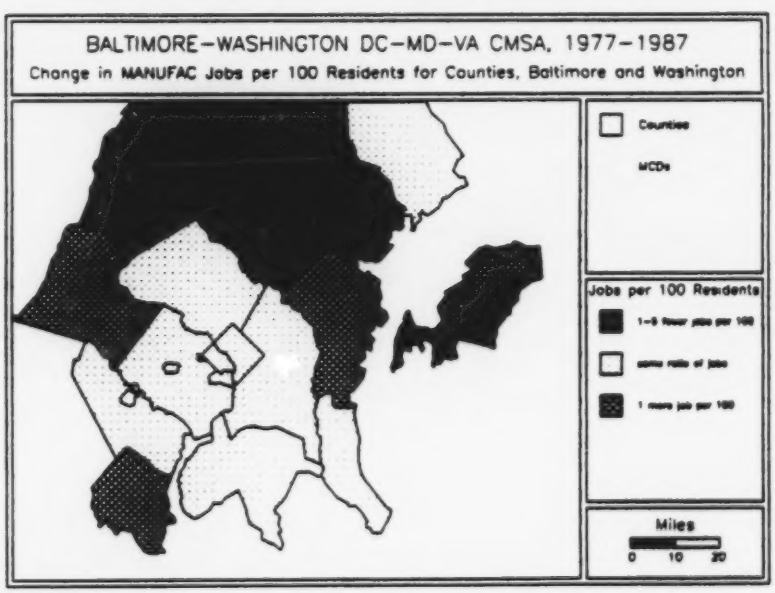


Figure 19. Change in Retail Trade Employment

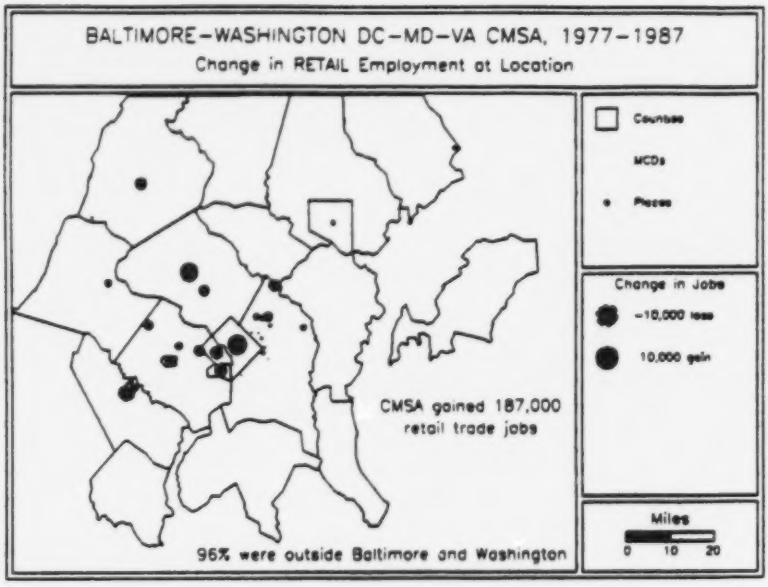


Figure 20. Change in Retail Jobs/Population Ratio

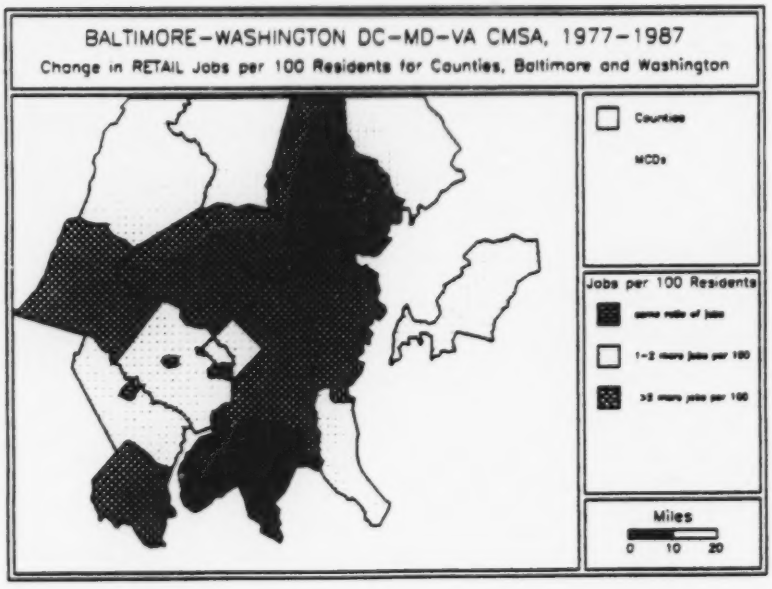


Figure 21. Change in Service Sector Employment

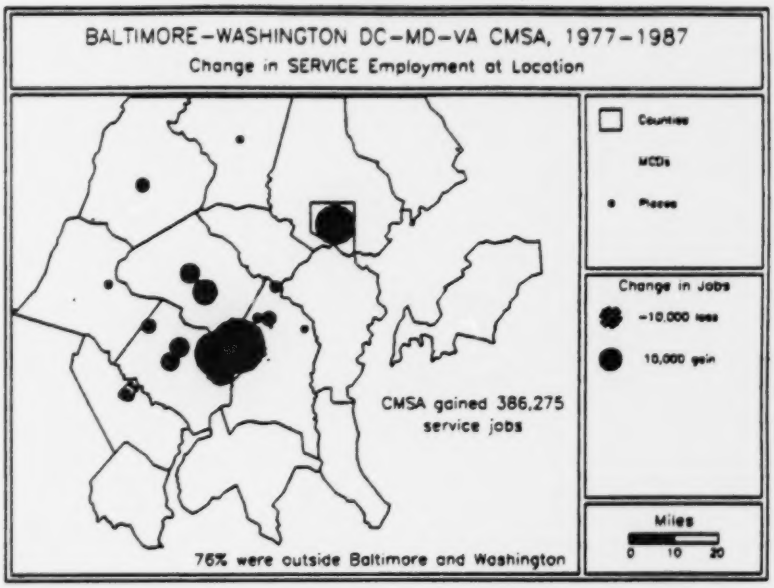
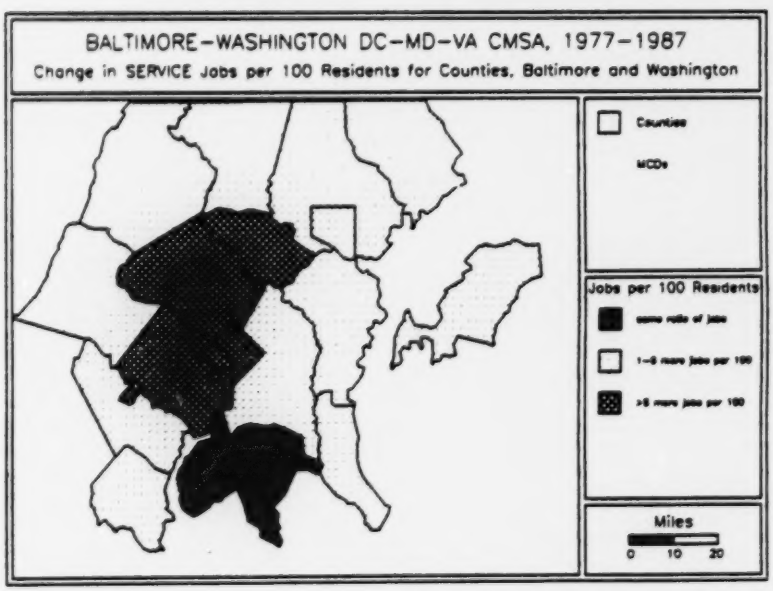


Figure 22. Change in Service Jobs/Population Ratio



4.3 San Francisco-Oakland-San Jose CA CMSA

Figure 23. Change in Manufacturing Production Jobs

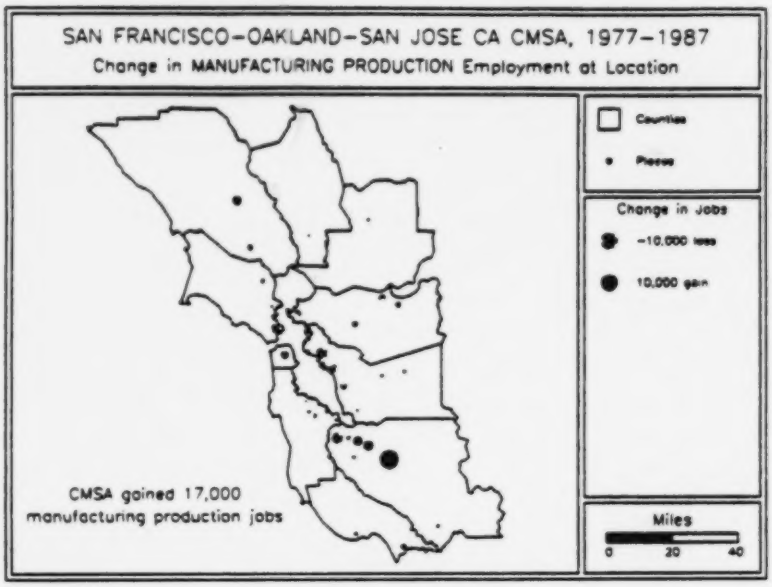


Figure 24. Change in Manufacturing Jobs/Population Ratio

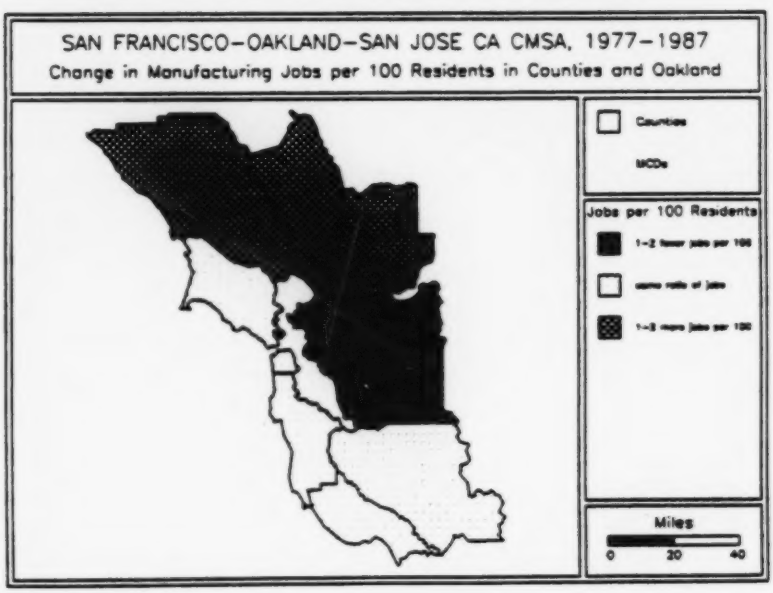


Figure 25. Change in Retail Trade Employment

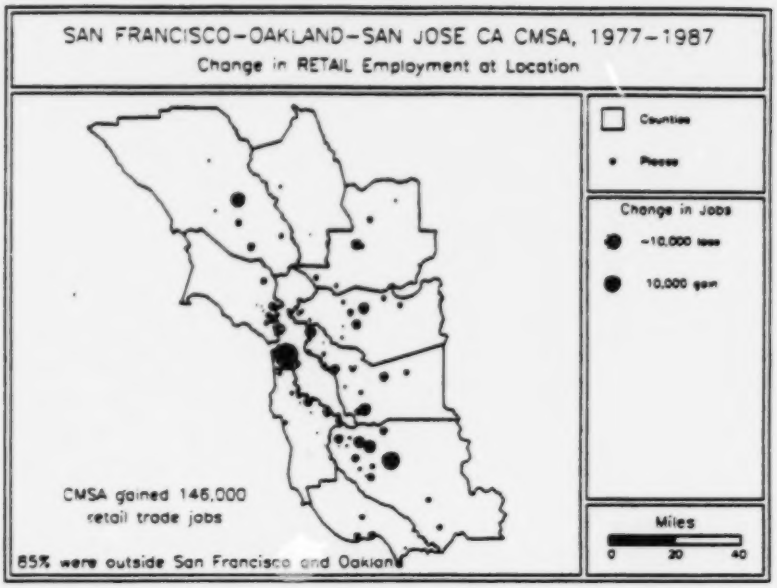


Figure 26. Change in Retail Jobs/Population Ratio

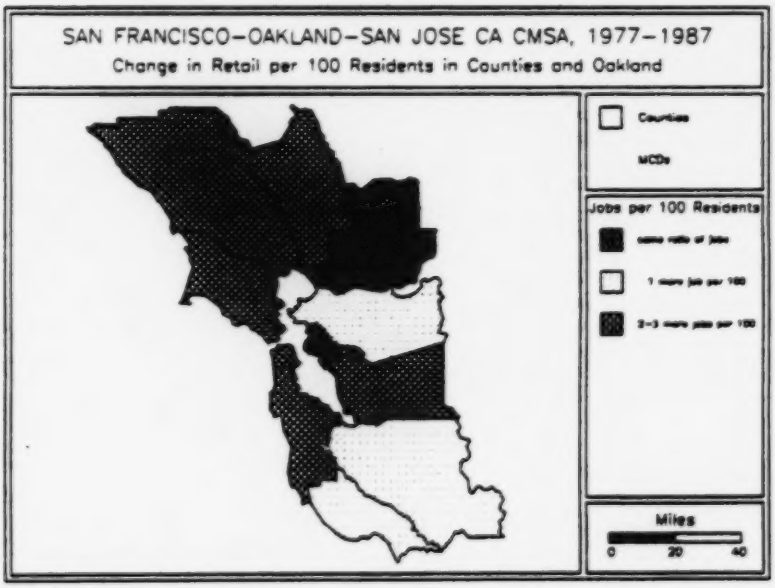


Figure 27. Change in Service Sector Employment

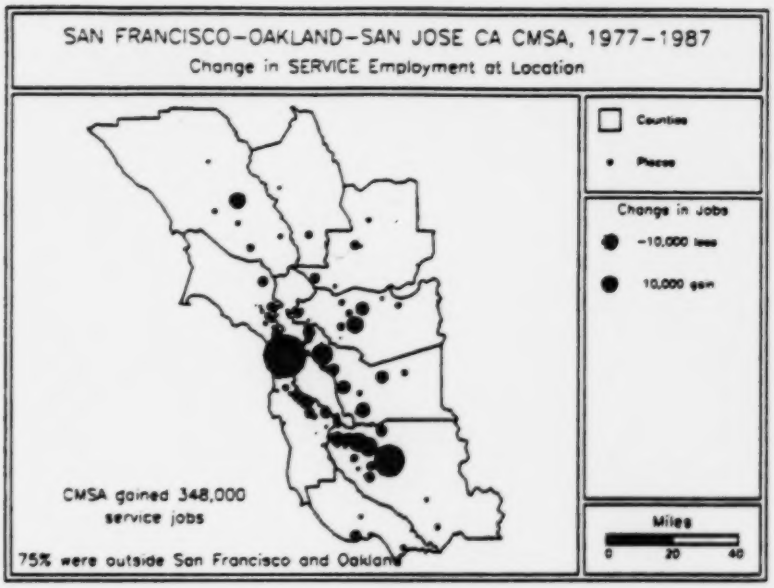
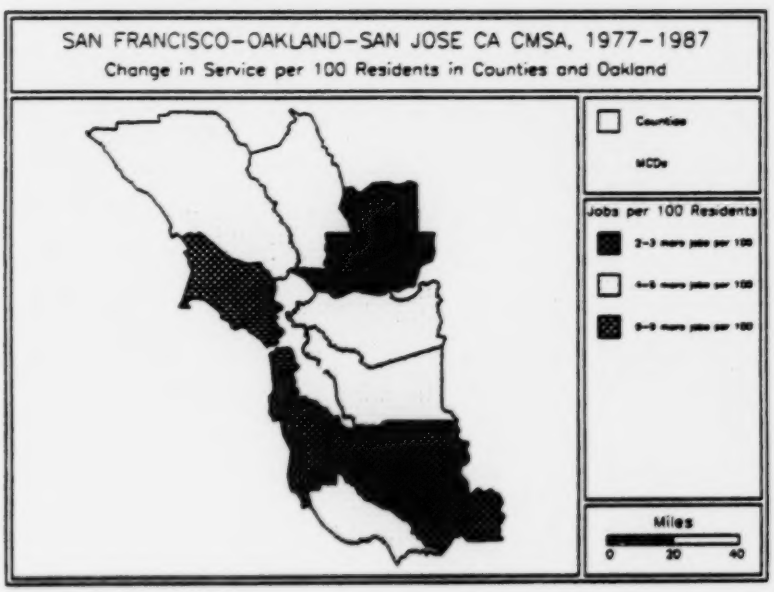


Figure 28. Change in Service Jobs/Population Ratio



4.4 Philadelphia-Wilmington-Trenton PA-NJ-DE-MD CMSA

Figure 29. Change in Manufacturing Production Jobs

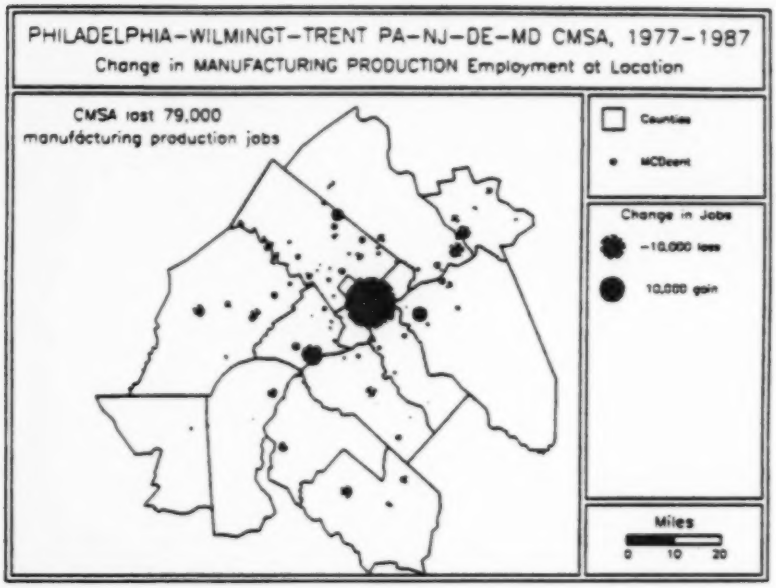


Figure 30. Change in Manufacturing Jobs/Population Ratio

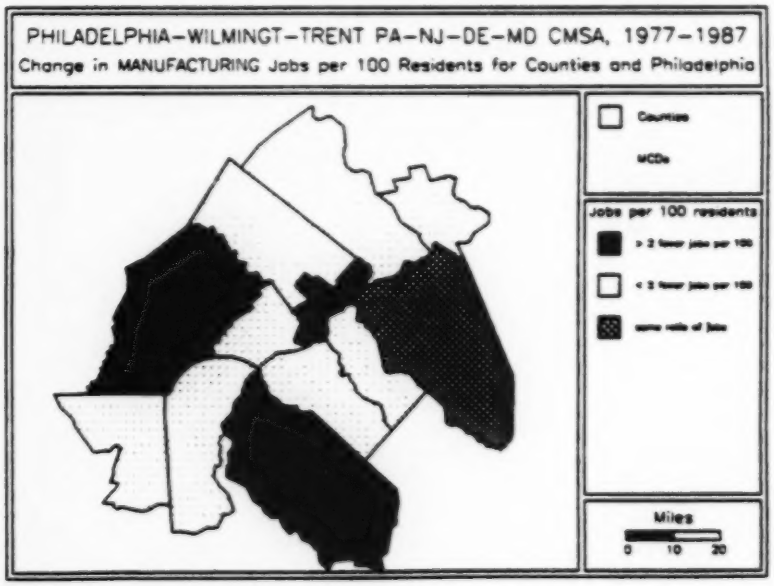


Figure 31. Change in Retail Trade Employment

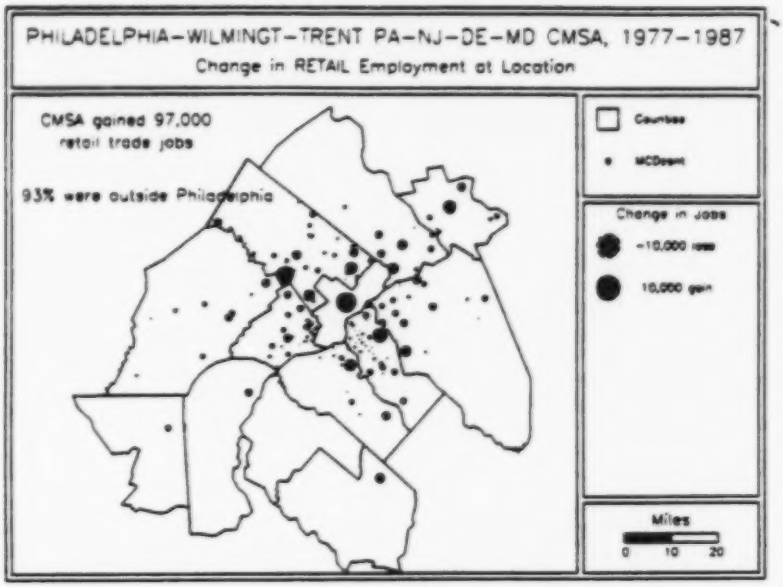


Figure 32. Change in Retail Jobs/Population Ratio

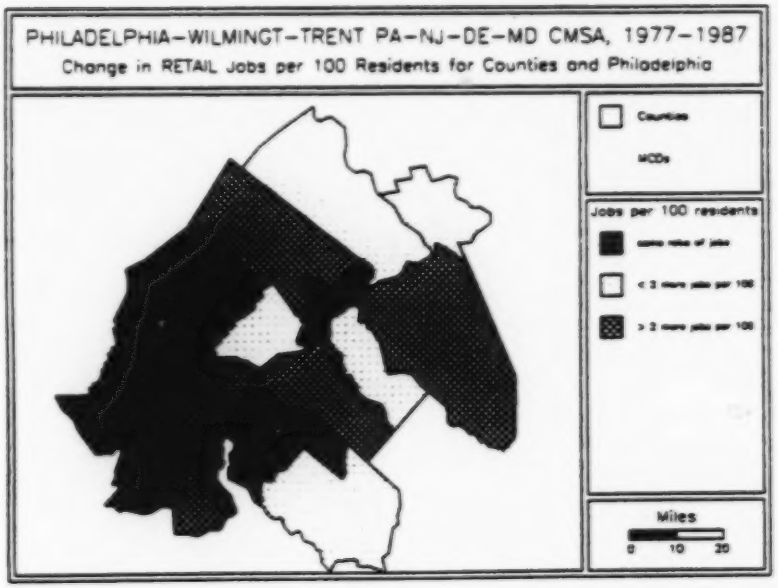

PHILADELPHIA–WILMINGT–TRENT PA–NJ–DE–MD CMSA, 1977–1987
Change in RETAIL Jobs per 100 Residents for Counties and Philadelphia
Miles
0 10 20

Figure 33. Change in Service Sector Employment

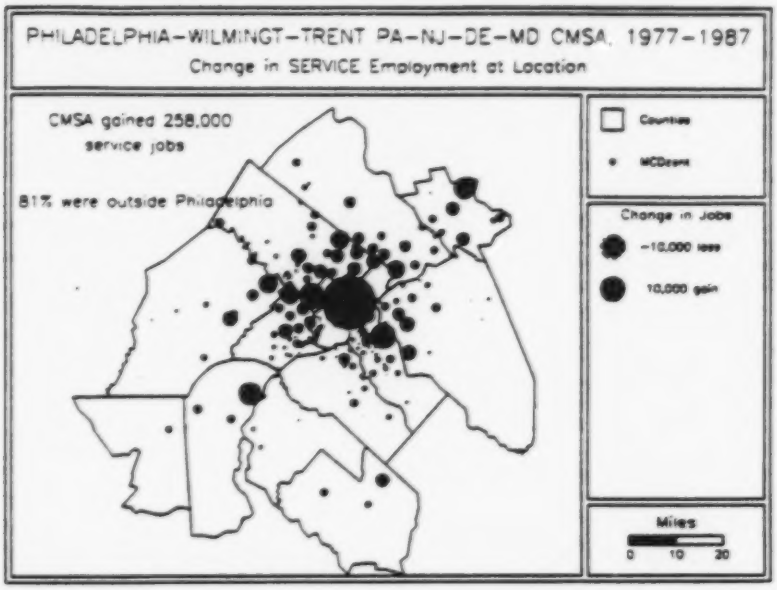
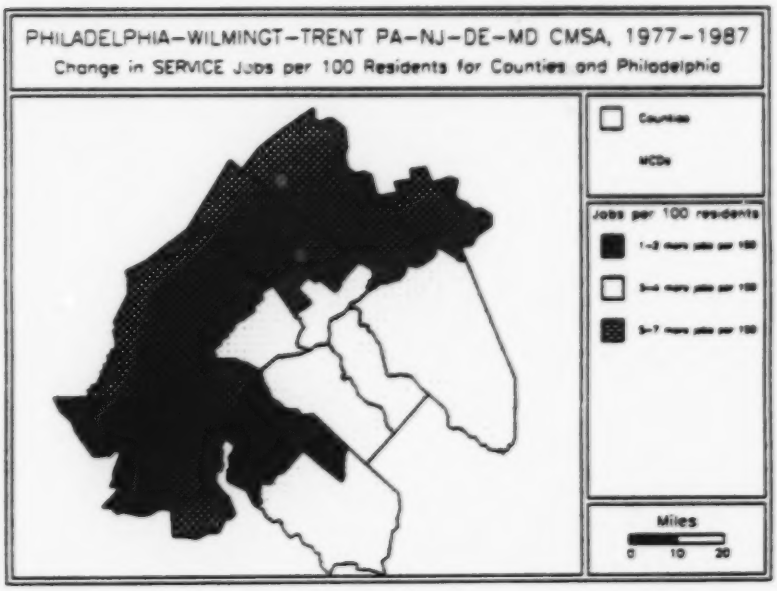


Figure 34. Change in Service Jobs/Population Ratio



4.5 Detroit-Ann Arbor MI CMSA

Figure 35. Change in Manufacturing Production Jobs

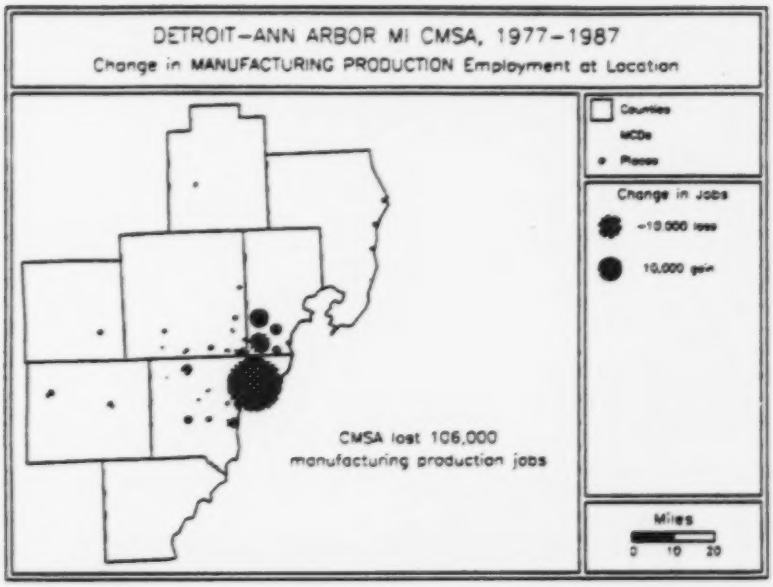


Figure 36. Change in Manufacturing Jobs/Population Ratio

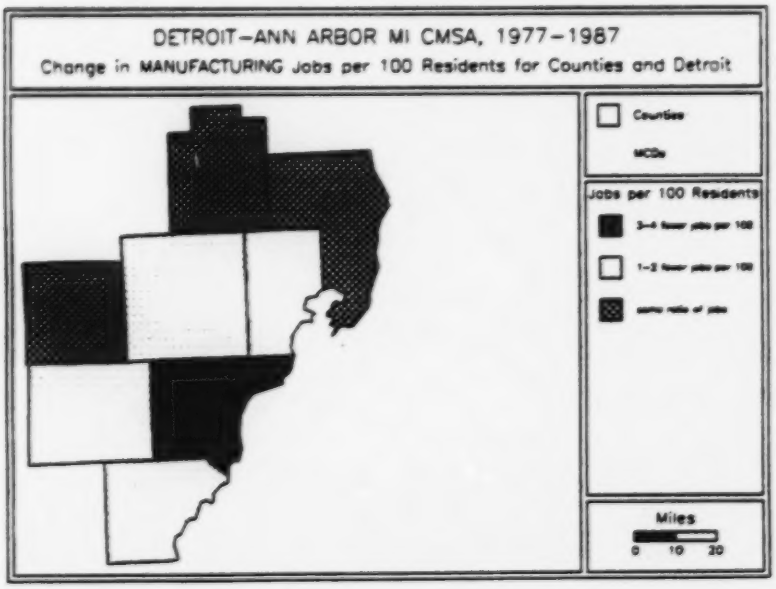


Figure 37. Change in Retail Trade Employment

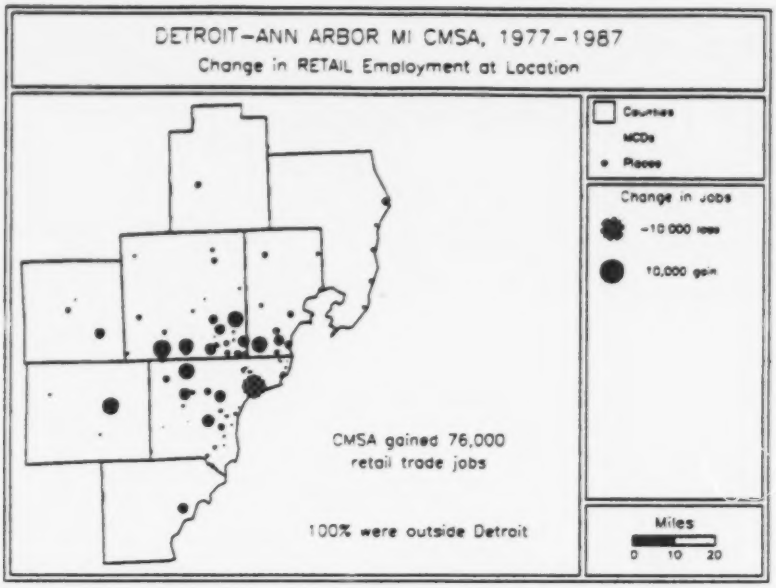


Figure 38. Change in Retail Jobs/Population Ratio

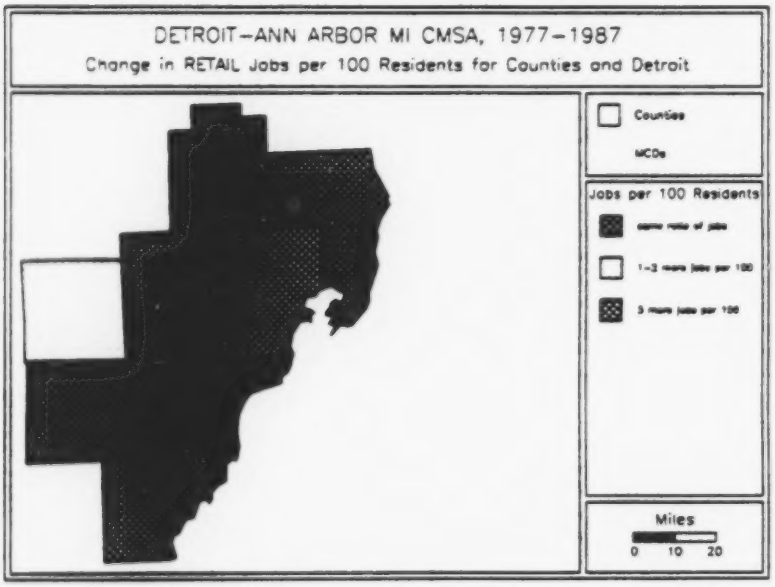


Figure 39. Change in Service Sector Employment

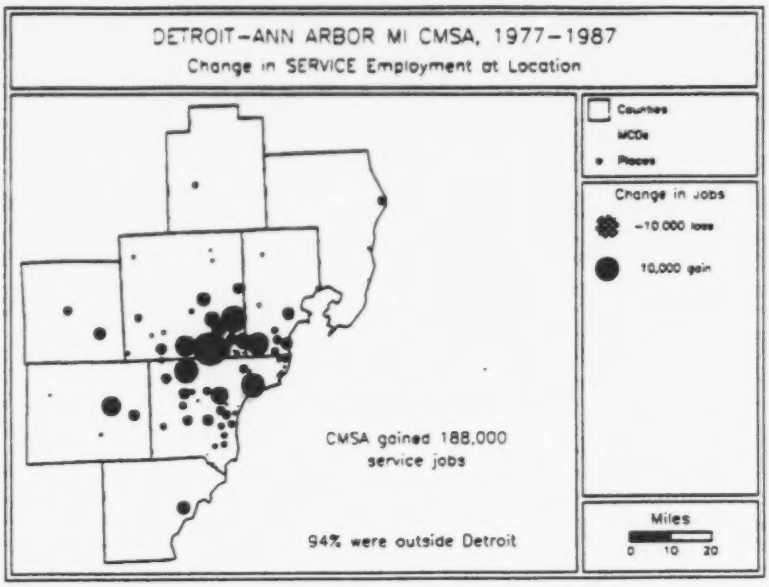
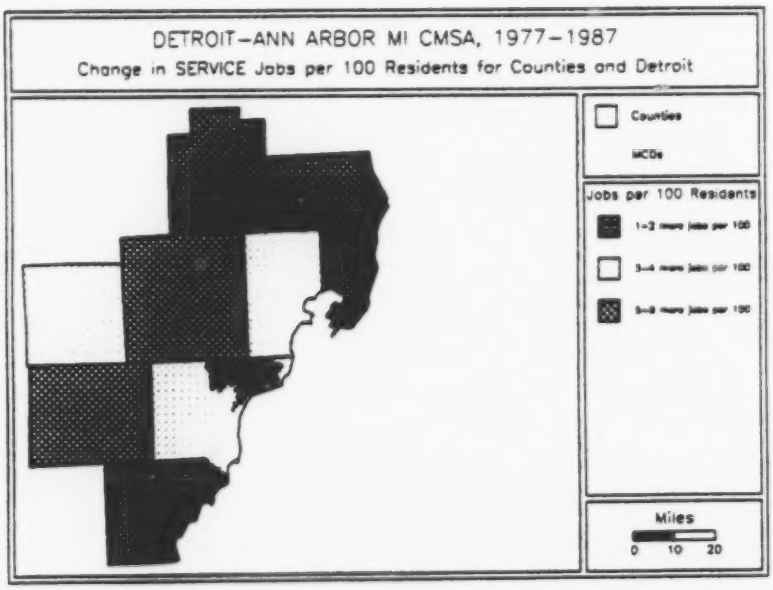


Figure 40. Change in Service Jobs/Population Ratio



4.6 St.Louis MO-IL MSA

Figure 41. Change in Manufacturing Production Jobs

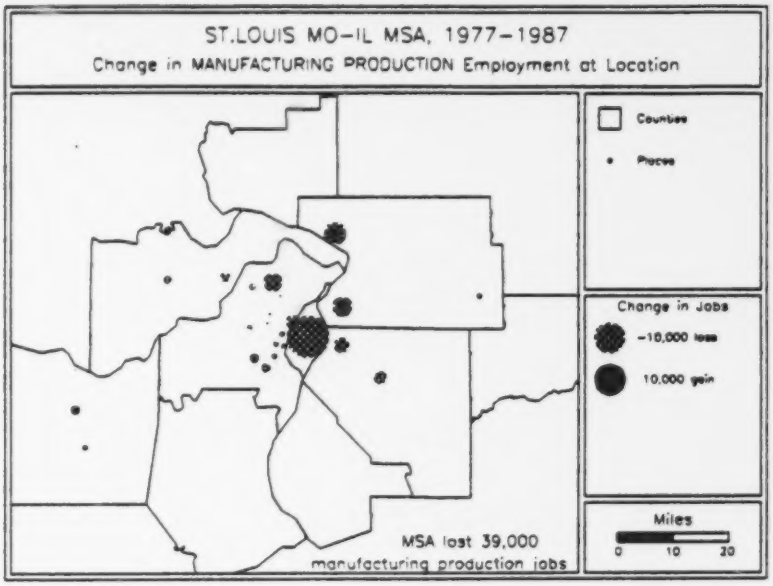


Figure 42. Change in Manufacturing Jobs/Population Ratio

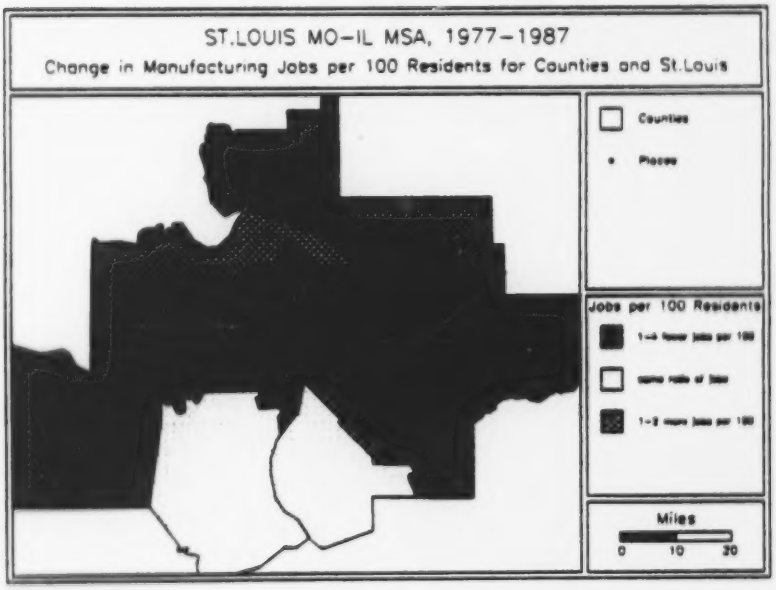


Figure 43. Change in Retail Trade Employment

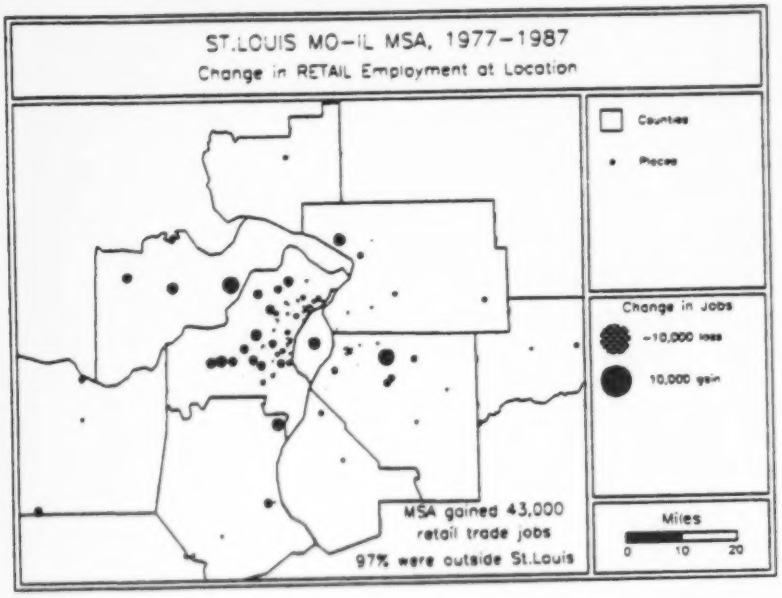


Figure 44. Change in Retail Jobs/Population Ratio

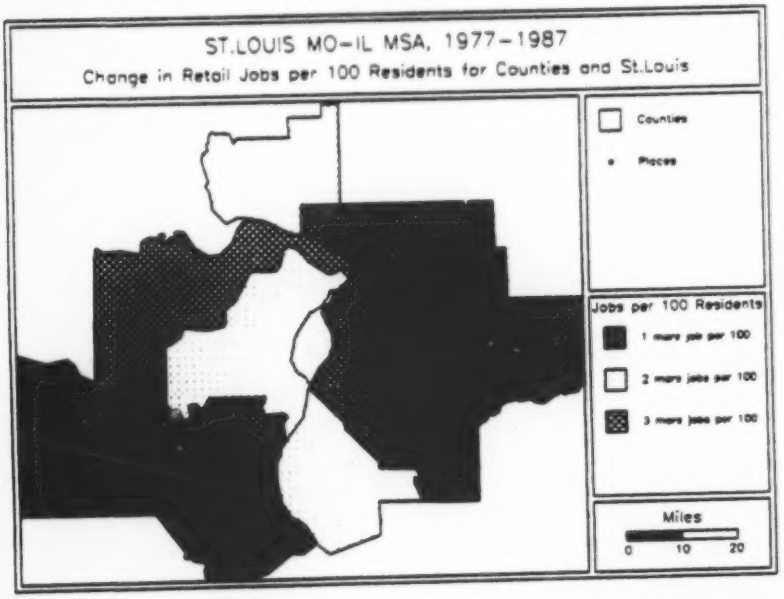

ST.LOUIS MO–IL MSA, 1977–1987
Change in Retail Jobs per 100 Residents for Counties and St.Louis
Counties
Places
Jobs per 100 Residents
1 more job per 100
2 more jobs per 100
3 more jobs per 100
Miles
0 10 20

Figure 45. Change in Service Sector Employment

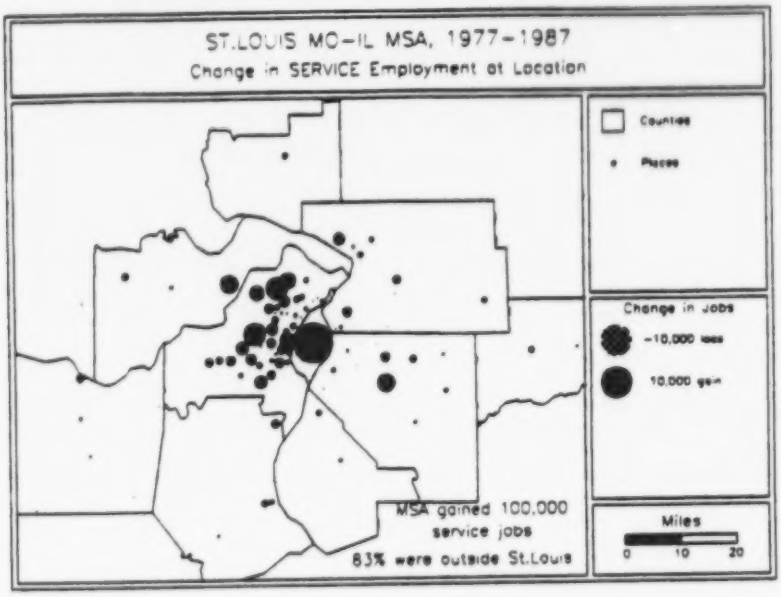
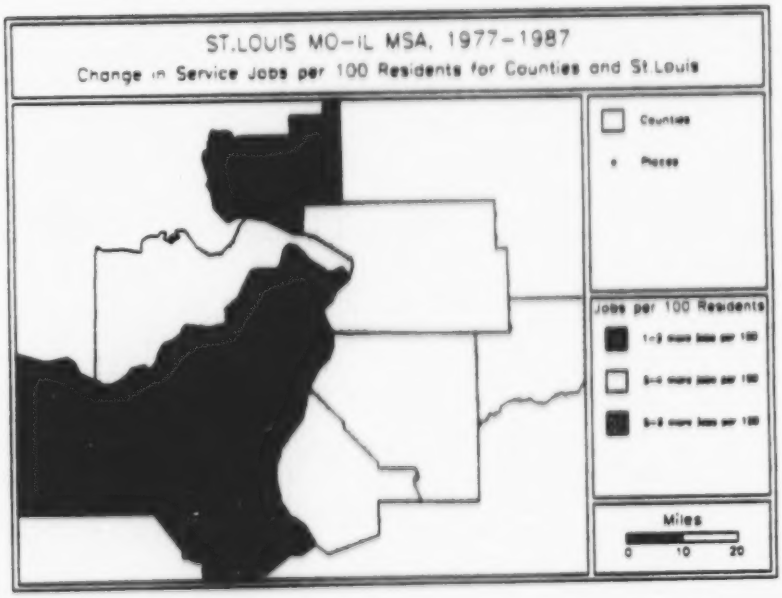


Figure 46. Change in Service Jobs/Population Ratio



BEST COPY AVAILABLE

4.7 Denver-Boulder CO CMSA

Figure 47. Change in Manufacturing Production Jobs

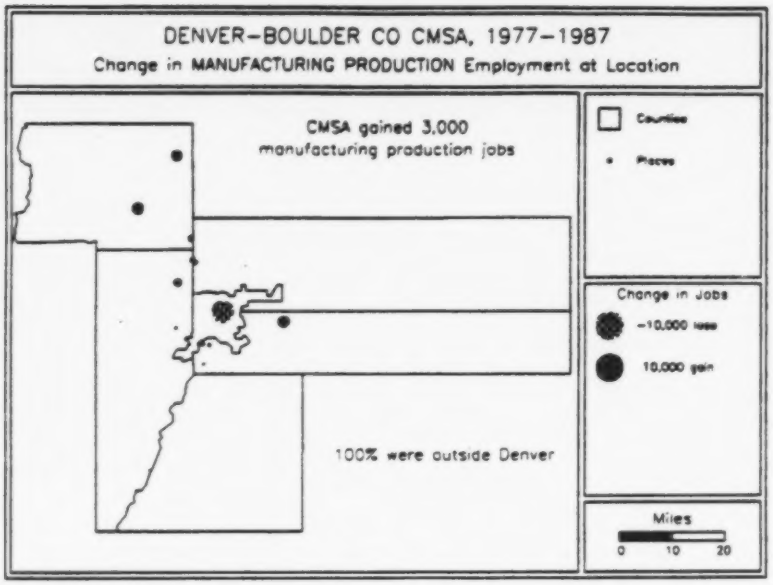


Figure 48. Change in Manufacturing Jobs/Population Ratio

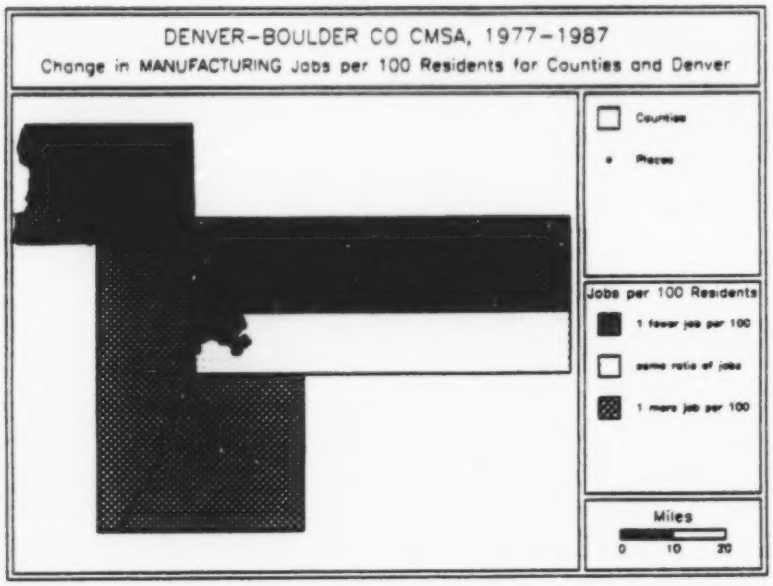


Figure 49. Change in Retail Trade Employment

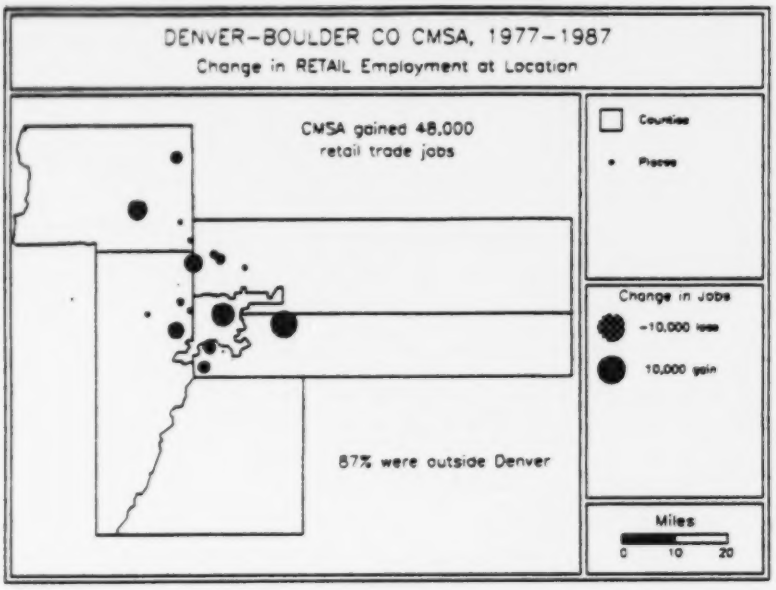


Figure 50. Change in Retail Jobs/Population Ratio

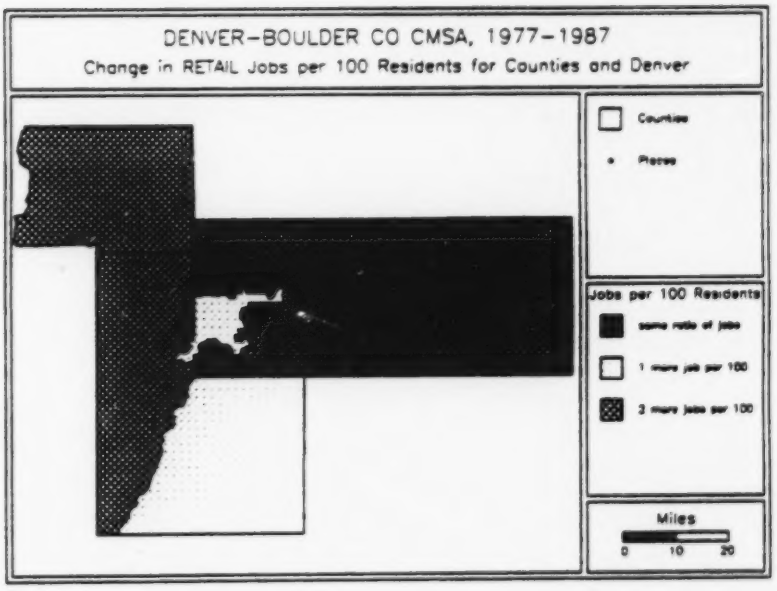


Figure 51. Change in Service Sector Employment

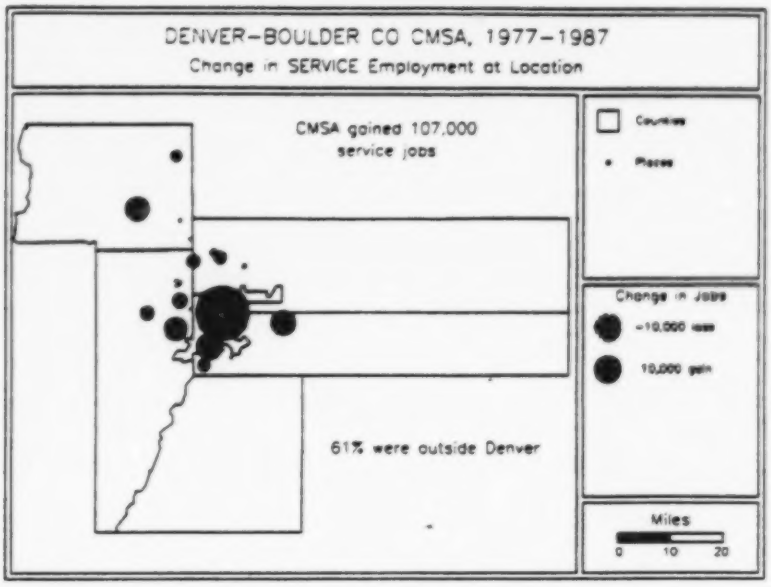
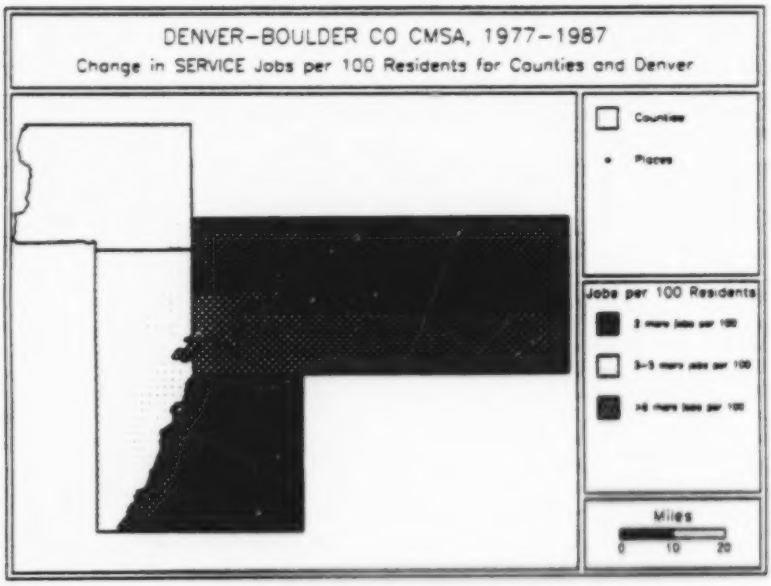


Figure 52. Change in Service Jobs/Population Ratio



4.8 Milwaukee-Racine WI CMSA

Figure 53. Change in Manufacturing Production Jobs

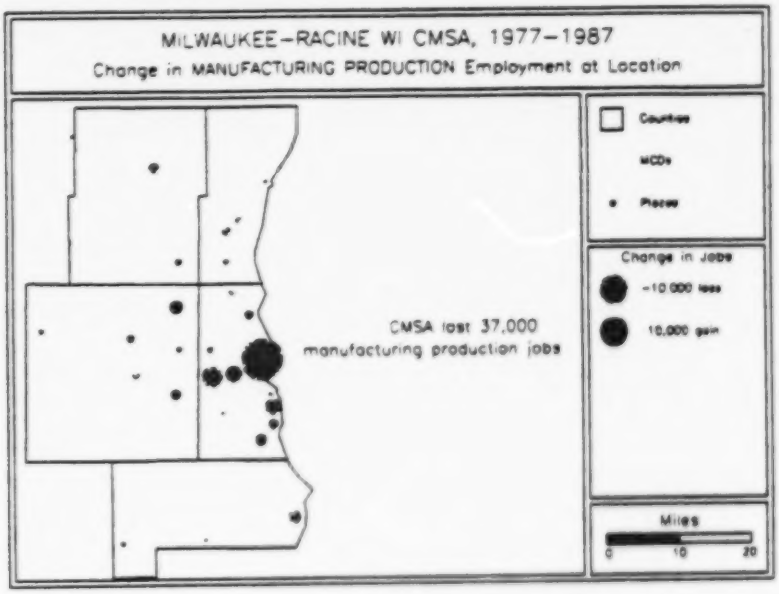
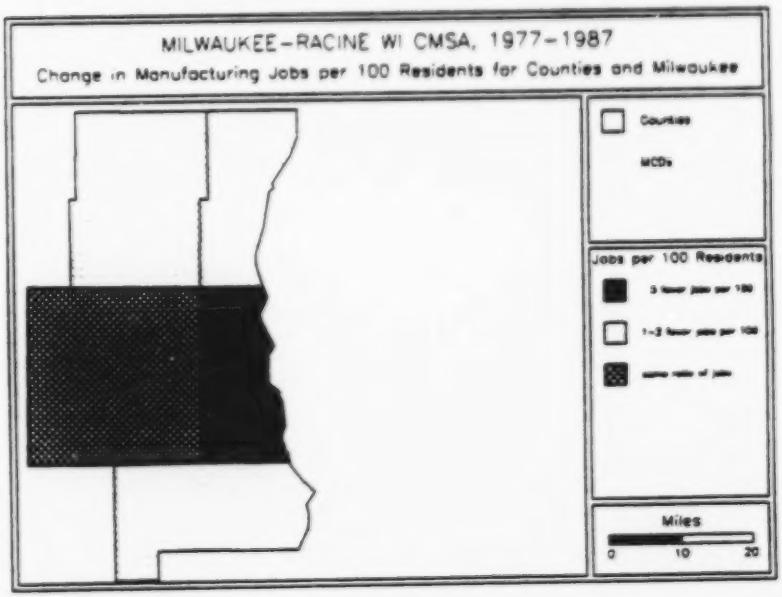


Figure 54. Change in Manufacturing Jobs/Population Ratio



BEST COPY AVAILABLE

Figure 55. Change in Retail Trade Employment

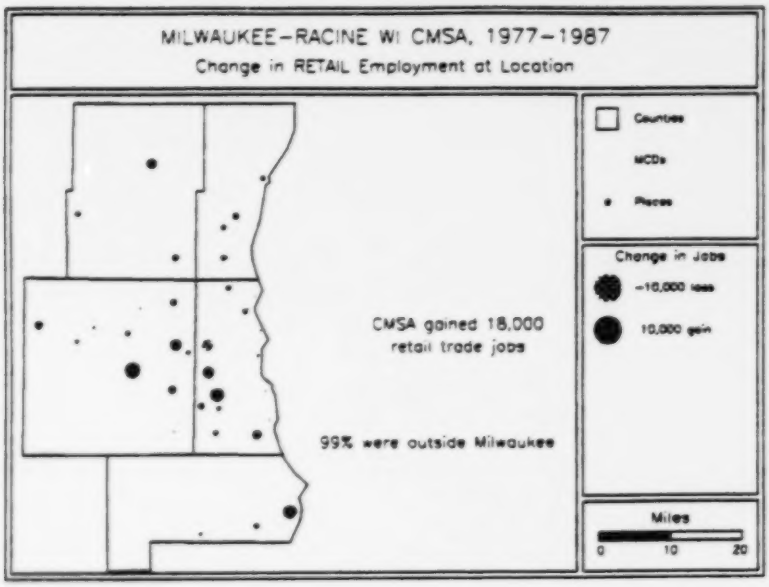


Figure 56. Change in Retail Jobs/Population Ratio

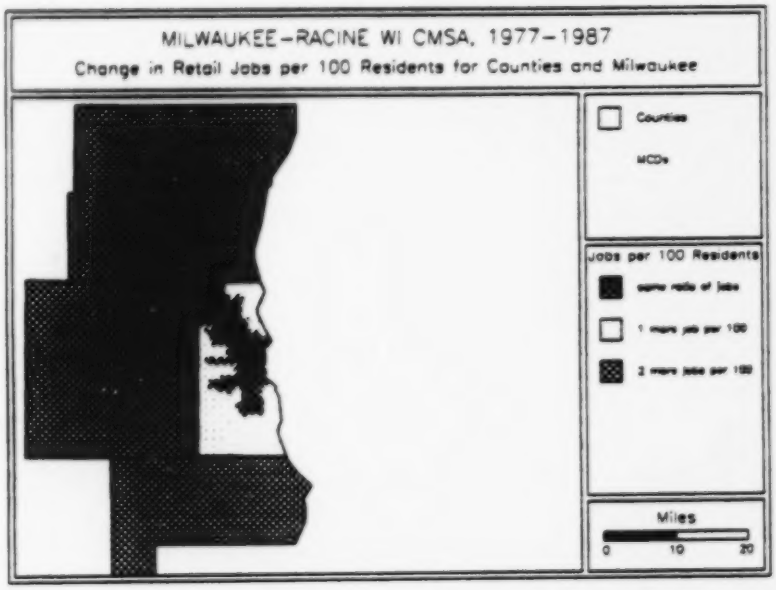


Figure 57. Change in Service Sector Employment

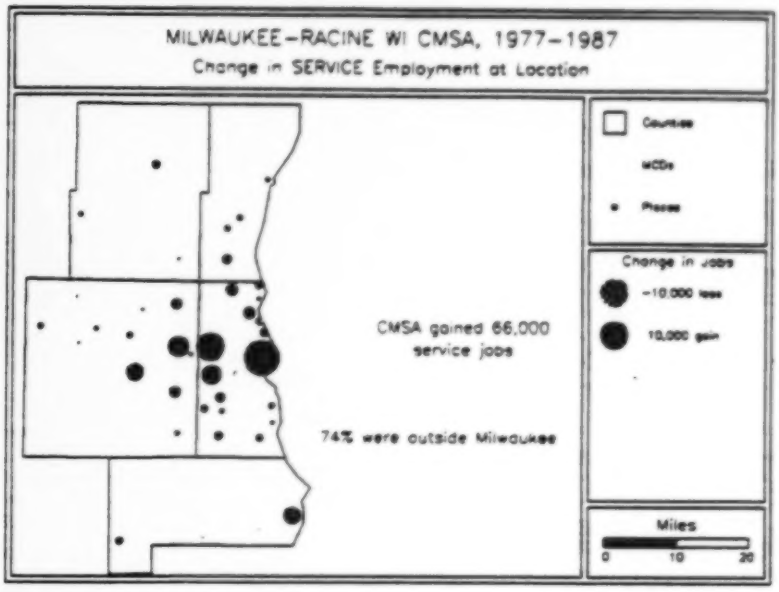
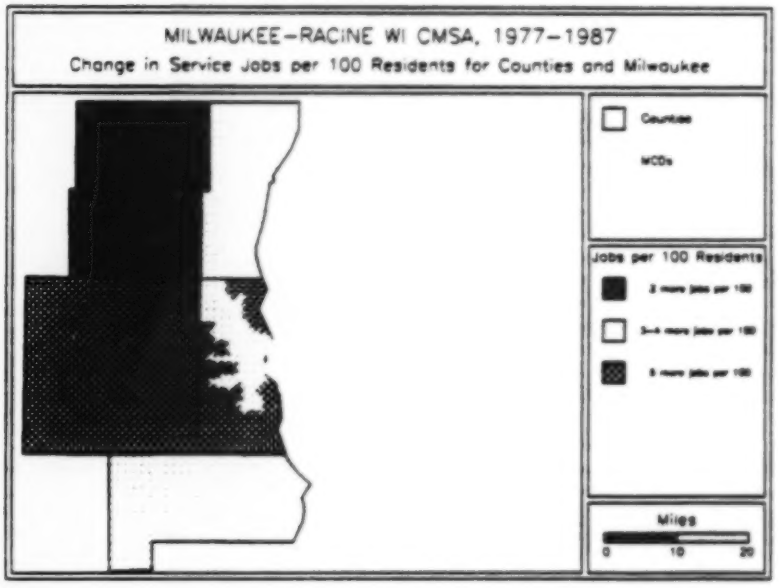


Figure 58. Change in Service Jobs/Population Ratio



4.9 Kansas City MO-KS MSA

Figure 59. Change in Manufacturing Production Jobs

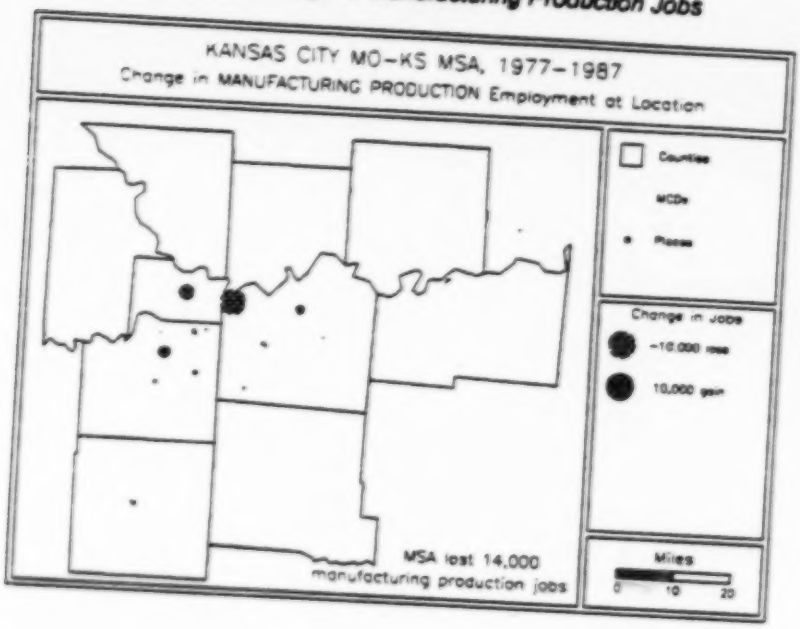


Figure 60. Change in Manufacturing Jobs/Population Ratio

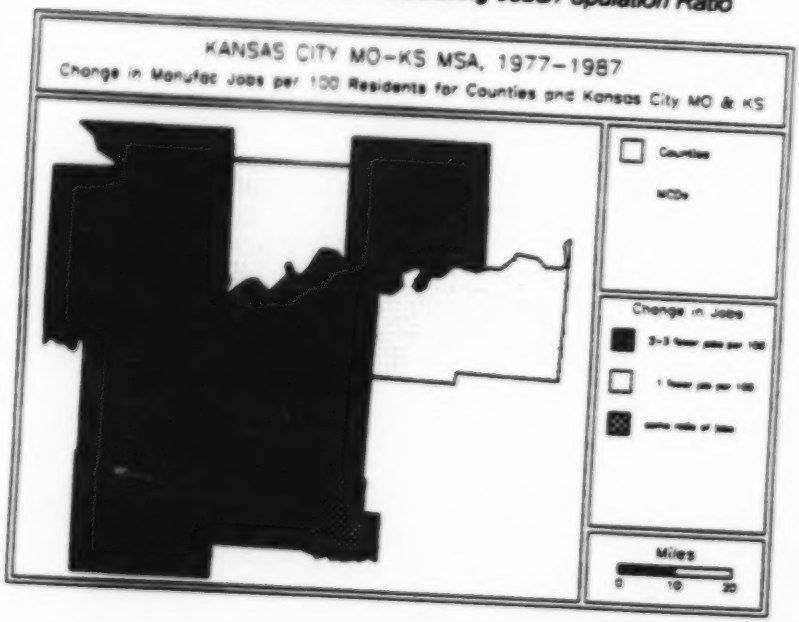


Figure 61. Change in Retail Trade Employment

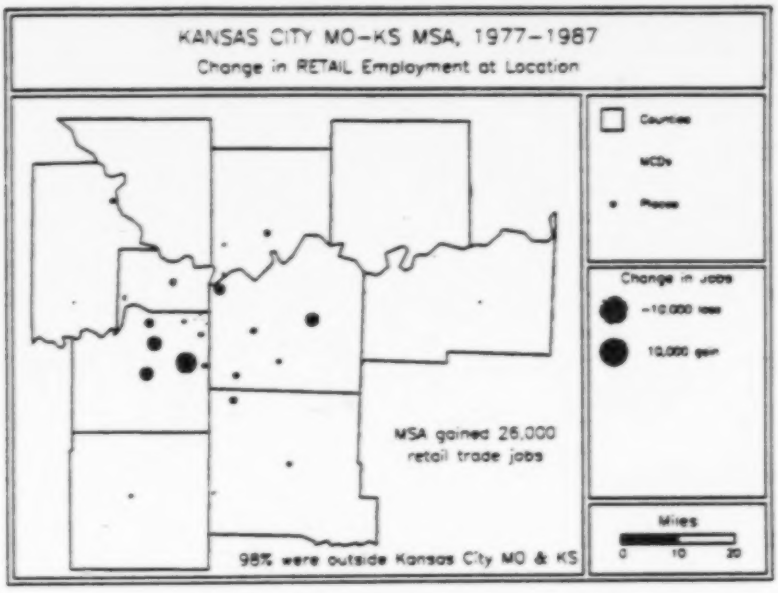
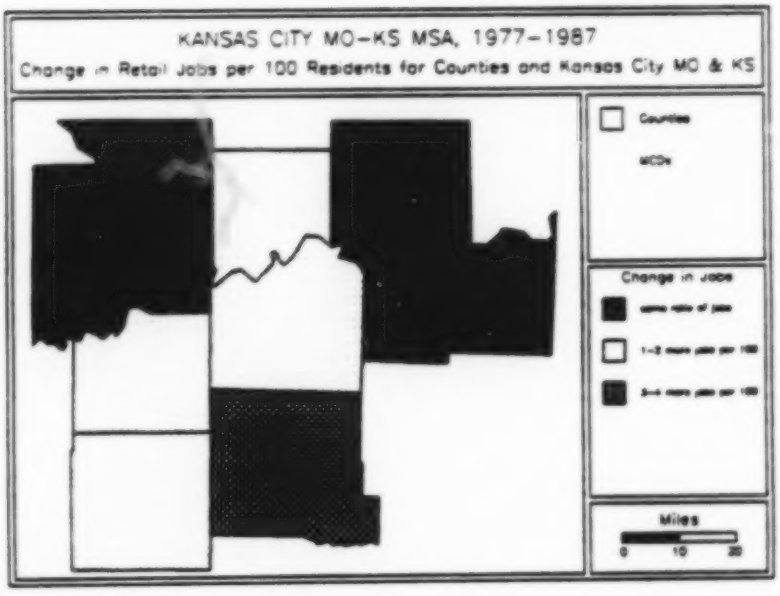


Figure 62. Change in Retail Jobs/Population Ratio


KANSAS CITY MO–KS MSA, 1977–1987
Change in Retail Jobs per 100 Residents for Counties and Kansas City MO & KS
Counties
MCDs
Change in Jobs
Miles
0 10 20

BEST COPY AVAILABLE

Figure 63. Change in Service Sector Employment

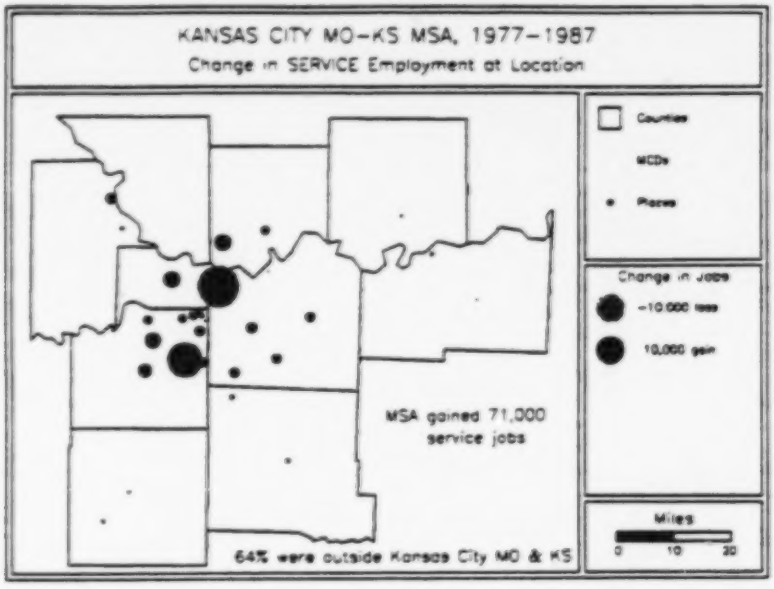
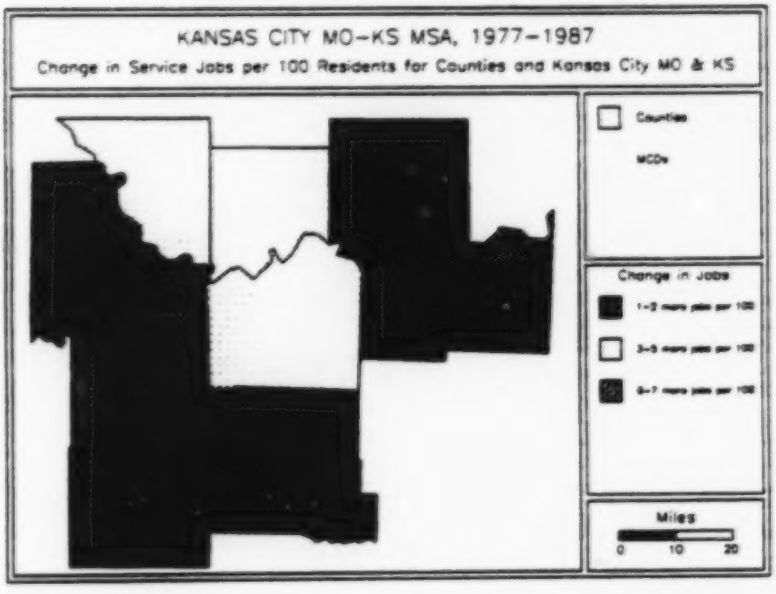


Figure 64. Change in Service Jobs/Population Ratio



5. ANTIPOVERTY STRATEGY AS A GEOGRAPHICAL EXERCISE

In the face of this powerful metropolitan pattern—poverty at the center, opportunity on the edge—the search for an antipoverty strategy takes on a profoundly geographic character. For a quarter-century, policy analysts and advocates have been talking, often implicitly, about reconfiguring geography. The goals have been to decentralize problems and/or recentralize solutions. The means have been to change the "where" of housing, employment, racial and income groups, public services, and so on. Any strategy that attempts to reduce inner-city poverty, especially through work, must engage in this geographical exercise.

We have noted elsewhere the three basic strategies that have emerged and been labeled dispersal, development, and mobility.[23] Briefly, the dispersal strategy seeks to decentralize the housing of the poor from the city to the suburbs. The development strategy seeks to recentralize employment from the suburbs to the city. The mobility strategy seeks to connect the ghetto poor to suburban opportunities as a tool for pursuing both the increased choices of a dispersal strategy and the community-building of a development strategy. In the remainder of this chapter, we describe each strategy and discuss the particular strengths and weaknesses of each. The three strategies play off each other in complex ways and we conclude the chapter with a discussion of these interactions.

The **dispersal strategy** is the most straightforward and constitutionally compelling of the three strategic approaches. It is straightforward because it takes seriously the observation of "few jobs and bad schools in the city, many jobs and good schools in the suburbs", and focuses on unlocking the suburban gates that exclude the poor and the black. It is constitutionally compelling because surely U.S. citizens have a right to live anywhere they can afford. The strategic goal is to provide the ghetto poor with the opportunities that come with a suburban residence: newer, lower density housing in safer, cleaner neighborhoods with better funded schools and a growing labor market. There are three broad mechanisms in the dispersal strategy. First, there are civil-rights-based efforts to ensure that people are not excluded from housing markets they can afford because of race (or religion or, in some states, family size or type). Second, there are land-use-based efforts to reform local zoning laws that restrict the construction of housing types (multi-family units, rental units with several bedrooms, and so on) that make housing more affordable to low-income households. Third, there are public-housing-based efforts to disperse the construction of new public housing units and subsidize (via "vouchers") rental throughout the metropolitan housing market.

Perhaps the most famous early example of a comprehensive dispersal strategy is New Jersey's Mount Laurel policy. In 1975, the New Jersey Supreme Court ruled in a suit brought by the local chapter of the NAACP that Mount Laurel Township, located ten miles from Philadelphia at the edge then of the metropolitan area, unconstitutionally excluded low-income housing within its borders through its zoning laws, which in effect allowed construction of only single-family homes and industrial

[23] "Decentralization and Accessibility: A Strategy for Stimulating Regional Mobility" in *Journal of the American Planning Association* (1991) v57:288-289.

uses.[24] The courts not only ruled that there are severe limits on the right of suburban communities to restrict the entry of lower-income households (itself something that few other state courts have done, and certainly the U.S. Supreme Court does not consider income a suspect category), but the New Jersey Court also insisted that the state's municipalities have an affirmative obligation to redistribute low- and moderate-income households more evenly across the state. It thus set in motion probably the most fundamental redistribution of property rights ever attempted by a state government.

After several years of stiff noncompliance, the Court in 1983 ruled on a set of specific remedies that required each municipality to plan and zone for its "fair share" of the statewide need for lower-income housing. Furthermore, the Court required each municipality to, in effect, spend a part of any wealth created by its zoning powers (which can restrict development and thus raise the value of land) to induce developers to build housing affordable to low-income households. Finally, in 1986 the Court recognized its limited administrative capacity to continue the dispersal strategy.[25] In a third ruling, the Court effectively sanctioned a legislative proposal to create a new agency to monitor the implementation of the Mount Laurel policy. Significantly, this legislative solution included a provision (called Regional Contribution Agreements) under which a municipality, typically one that is wealthy and suburban, may satisfy one-half of its low-income housing obligation by paying another municipality, typically one that is poor and urban, to assume that obligation as its own.

In general, the Mount Laurel controversy represents a fascinating shift from old to new style dispersal policies. It is a shift from a period when state and federal governments could significantly influence dispersal via the construction of new public housing and the subsidy of housing expenditures by low-income households, to a period when the key actors in the housing market such as developers and current homeowners are relied on to provide the housing. It is a shift from a period when removing explicit racial barriers from the suburbs was a major agenda item, and to a period when finding affordable housing anywhere is the basic problem. The rallying cry of today's dispersal strategy for reducing poverty is "affordable housing".

But the nearly two-decade evolution of Mount Laurel reveals the internal tensions in the dispersal strategy. One acute tension arises between its goals for housing provision and its goals for access to suburban employment and public services. In some ways, the genius of the Regional Contribution Agreements (RCAs) provision in current Mount Laurel policy is that it taxes exclusion as a source of low-income housing revenues. Indeed, RCAs create a market for exclusion that could extract the full willingness to pay to exclude if the agreements between cities and suburbs were

[24] This discussion is drawn from Hughes & Peter M. VanDoren "Social Policy through Land Reform: The Mount Laurel Controversy" in *Political Science Quarterly* (1990, 105:97-111).

[25] For a fascinating new study of judicial capacity, see John J. Dilulio Jr (ed) *Courts, Corrections, and the Constitution* (New York: Oxford University Press, 1990).

properly arranged.[26] At any rate, the point is that by attempting to reconfigure the geography of low-income residence, dispersal strategies are inevitably related to housing policy. And in the current low-income housing climate, in which construction and subsidy budgets are highly constrained and existing (highly centralized) public housing stock is too valuable to be abandoned, dispersal policy and housing policy often conflict.

Furthermore, the political obstacles to fully implementing a dispersal strategy are enormous. People born in the year of the first Mount Laurel rulings are now old enough to vote for legislators that subvert those rulings. That is a telling illustration of the dispersal strategy's basic weakness—not a conceptual weakness, and certainly not a moral one, but an operational weakness. Many actors have incentives to thwart the dispersal strategy and these actors have many mechanisms at their disposal. Our fragmented, parochial systems of metropolitan government could hardly be better designed to prevent dispersal. It is difficult to see what local (that is, implementing) political interest is served by dispersal. Even big-city politicians would, under a successful dispersal campaign, only lose or decrease the minority constituencies that have helped elect minority mayors and Congressional representatives. And finally, the dispersal outcome is inherently unstable. The strategy could enforce mechanisms that insure the right of poor blacks to enter a particular neighborhood or jurisdiction, but no conceivable mechanisms could prevent affluent whites from leaving thereafter.

Today's most prominent dispersal strategy is the Gautreaux Assisted Housing Program of the Chicago Housing Authority. This program has assisted about 5,000 African-American families leave virtually all-black Chicago public housing for predominantly white city neighborhoods and suburbs. Careful research has shown that the moves have had significant positive impacts on the lives of both the adults and children in the households.[27] The U.S. Department of Housing and Urban Development plans a $240 million expansion of the Gautreaux experiment to a list of metropolitan areas across the country.

Conducting more small-scale experiments in more cities and suburbs will be a useful exercise. But the real question looming before Gautreaux, and all dispersal strategies, is the scale question. How large could a Gautreaux program become before it faced challenges similar to the Mount Laurel program? Even longtime advocates of Gautreaux in Chicago recognize the political limits to implementing the strategy beyond the few thousand who now participate.[28] Simply consider that for African-Americans to be represented in the Chicago CMSA suburbs in proportion to

[26] Perhaps not surprisingly, they are not now structured in this way. Suburban areas are being allowed to pay too little for release from their housing obligations because the arrangements now lead central cities, somewhat desperate for housing revenues, to bid down the RCA offers from suburbs. But the bargaining arrangements could be changed so that suburbs would bid up their offers to get cities to accept the obligations. See Hughes & Therese J. McGuire "A Market for Exclusion: Trading Low-Income Housing Obligations under Mount Laurel III" in *Journal of Urban Economics* (1991) v29:207-217.

[27] James E. Rosenbaum and Susan J. Popkin, "The Gautreaux Program: An Experiment in Racial and Economic Integration" (Northwestern University: Center for Urban Affairs and Policy Research, 1991); and Rosenbaum, "Black Pioneers—Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?" in *Housing Policy Debate* (1992 4:1179-1213).

[28] Mary Davis, "The Gautreaux Assisted Housing Program" in Kingsley and Turner (eds) *Housing Markets and Residential Mobility* (Washington DC: Urban Institute Press, 1993).

their presence in the metropolitan area (which is 27 percent black as a whole), the size of the suburban black population would have to quadruple, from 254,000 (in 1990) to 1,076,000. Likewise, for poor people to be represented in the Chicago CMSA suburbs in proportion to their presence in the metropolitan area (which is 11 percent poor as a whole), the size of the suburban poor population would have to increase by 300,000, from 193,000 (in 1990) to 503,000.

The **development strategy** takes a different approach. It moves from the same observation: poverty is concentrated at the center of the metropolitan area, opportunity is dispersing toward its periphery. However, cognizant of the considerable political obstacles to dispersal, development strategists attempt to recentralize some of the opportunities associated with suburban residence. Chief among these are employment opportunities. The development strategy is also quite straightforward in that it seeks to return the system to an earlier state: jobs have left the central city, so policy should intervene to induce their return.

There are two related arguments that often accompany the development strategy. These were probably best articulated by Bennett Harrison in the early 1970s.[28] One of the great risks of the dispersal strategy is that it would dissipate the political strength of minority groups, particularly blacks. Much of this political strength comes from the leverage commanded by black pluralities or majorities in central cities. In effect, residential segregation has created the possibility of black representation in mayoral and Congressional elections. The dispersal strategy inherently breaks up poor, minority residential concentrations in the central city, and thus it would also diminish the electoral base founded on these residential concentrations.

These electoral demographics aside, there is a simpler electoral dynamic that undermines the dispersal strategy. The chief beneficiaries of a dispersal strategy are precisely those persons who leave the central-city jurisdiction and suburbanize. Thus they change their voting address, and make it difficult for central-city politicians to capture the electoral benefits of the strategy. There would seem to be little incentive for elected officials to expend much effort to work for a constituency that would soon be unable to vote for them.

The second and somewhat related argument made by development strategists is that geographical distance is a trivial barrier between blacks and suburban jobs. The far more important barrier, development strategists argue, is racial discrimination. Dispersing the residences of inner-city blacks would do nothing to alter this discrimination in the labor market. Blacks would face the same practices if they suddenly lived in the suburbs. Better to enrich the opportunities of the ghetto, say the development strategists, since discrimination would be presumably lower in the city than the suburbs.

The major contemporary federal program consonant with the development strategy is, of course, urban enterprise zones. Enterprise zones have received a substantial

[28]Bennett Harrison, *Urban Economic Development* (Washington DC: Urban Institute, 1974).

amount of criticism as ineffective and costly.[30] Although perhaps politically important for the retention of firms in some central cities, it would be very costly to actually attract sufficient employment to address the needs of the impacted ghetto. Perhaps most importantly, critics have long argued that development strategies do nothing to overcome patterns of metropolitan segregation and even encourage "separate but equal" communities—the point being that such communities would be anything but equal in reality.[31] John F. Kain and Joseph J. Persky considered ghetto development policies to be a "morally objectionable" acquiescence to racism.[32]

Both the dispersal and development strategies make compelling arguments in their favor. Unfortunately, each also offers powerful critiques of the other. Each works against a set of entrenched local interests. In essence, dispersal strategists underestimate the politics of our metropolitan settlements, which provide numerous mechanisms to prevent dispersal. On the other hand, development strategists underestimate the economics of employment suburbanization, which has relocated jobs to the metropolitan periphery for reasons that would be costly to reverse, if they could be reversed at all.

The goal of the **mobility strategy** is to reconnect the ghetto to opportunity in ways that leverage a variety of local interests. That connection has been disrupted by metropolitan decentralization and other factors. The ghetto was once the place of low-cost housing adjacent to entry-level employment. The components of the mobility strategy are designed to restore that connection by exploiting the very incentives created by decentralization itself. City residents get access to economic opportunity without sacrificing community networks such as extended family and institutional affiliations. Suburban employers get access to the entry-level workers who are increasingly absent from suburban labor markets. City governments retain voters who have received the benefits of the strategy. Suburban governments can ease housing development pressures being driven by the excess labor demand of decentralizing employment within the region. A well-designed program strategy would create mechanisms that allow these actors to act on these incentives.

The mobility strategy builds on earlier efforts. None of its components are new. Indeed, the central transportation components were the subject of a series of

[30]Stephen Jacobs and Michael Wasylenko, "Government Policy to Stimulate Economic Development" in Walzer and Chicoine (eds) *Financing State and Local Government in the 1980s: Issues and Trends* (Cambridge MA: Oelgeschlager, Gunn, and Hain, 1981); Doreen S. Massey, "Enterprise Zones: A Political Issue" in *International Journal of Urban and Regional Research* (1982, 6:429-434); Norman J. Glickman, "Economic Policy and the Cities: In Search of Reagan's Real Urban Policy" in *Journal of the American Planning Association* (1984, 50:471-478); Barry M. Rubin and C. K. Zorn, "Sensible State and Local Economic Development" in *Public Administration Review* (1985, 45:333-339); Marion G. Boarnet and William T. Bogart, "Economic Development Policy and Municipal Growth: Evidence from the New Jersey Urban Enterprise Zone Program" (Working Paper, October 1993, Department of Urban and Regional Planning, University of California, Irvine)

[31]Anthony Downs, "Alternative Futures for the American Ghetto" in *Daedalus* (1968, 97:1331-1379).

[32]John F. Kain and Joseph J. Persky, "Alternatives to the 'Gilded Ghetto'" in *The Public Interest* (Winter 1969, pp77-91).

BEST COPY AVAILABLE

program demonstrations during the late 1960s and early 1970s.[33] The mobility strategy has been the subject of sufficient interest during the last few years that it has attracted some criticism. Examples include research by the Drachman Institute (see Footnote 33) and a speech by the new Federal Transit Administrator.[34] These criticisms build a straw man called "reverse commuting" and then declare its inadequacy to confront inner city poverty. This report would not disagree that ad hoc transportation to suburban employers has had and surely would have a minimal effect on ghetto unemployment. Furthermore, it is true that small companies cannot make a profit transporting public housing residents to suburban office parks. It is true the America is moving toward two societies, one white and one black. It is true that it is unjust to invest billions in light rail systems to provide comfortable suburb-to-suburb commutes for white-collar workers, while providing only second-hand vans to help the poor travel two hours to reach a fast-food job in the suburbs.[35]

But these kinds of "arguments" against the mobility strategy are used only to then suggest exactly the ideas that animate the mobility strategy. Inner-city poverty and metropolitan settlement structure are complicated. It will take a comprehensive array of programs and a sustainable coalition of actors to change them. No single program and no single agency can effect real change. We must display the imagination to look beyond failed or struggling programs to well-designed strategies that articulate responses to well-known difficulties, such as helping transportation services survive the transition from serving job-seekers to serving job-commuters, the discrimination by white employers and co-workers toward minority workers, the flow of some participants through the transportation services as they eventually acquire private transportation. All of these problems are real. No existing program has addressed

[33]The best single review of the earlier round of so-called "reverse-commute" demonstrations is found in "Reverse Commute Transportation: Emerging Provider Roles", a report prepared by the Drachman Institute of the University of Arizona for the U.S. Federal Transit Administration (March 1992, FTA-TX-11-0021-92-1). The report provides a good presentation of the evidence from the early demonstrations. Unfortunately, the report presents its own survey of contemporary programs as somehow evidence comparable to that provided by the older demonstrations. The point is that we have no adequate demonstrations of contemporary programs that seek to address the broad mobility needs of the poor. Although the Drachman report provides thoughtful discussions of many operations, it also exhibits a limited capacity to identify existing programs in the field. Several times (p30, p51), the report simply states its inability to find programs. In fact, the P/PV companion report and a major survey by the American Public Transit Association identified programs in every one of the places in which the Drachman report found nothing. See "Access to Opportunity: A Study of Reverse Commuting Programs" (American Public Transit Association, Washington DC, September 1993).

[34]Gordon J. Linton, Keynote Address, Workshop Session at APTA Annual Meetings, New Orleans LA, October 7, 1993. See also Mr. Linton's interview in *Passenger Transport*, December 20, 1993.

[35]This kind of comment commits a basic error. Consider this. When an in-bound commuter train is filled with trench-coat-wearing, Wall-Street-Journal-reading investment bankers, we think of the transportation as enviable, even elitist. But when that same train, on its reverse run, carries workers, say poor African-Americans and Latinos, to suburban jobs, we think of apartheid. Such a criticism confuses the transportation mode with the underlying differences in social class. It expresses the critic's feelings toward *poverty*, not so-called reverse commuting. And this criticism not only obstructs the development of programs that might enhance the accessibility of jobs for poor people. It also, in a tragic irony, undercuts the dignity of a worker's journey to work, simply because he or she is poor. Should someone not travel to suburban workplaces because they must rely on assistance to get there? That's a criticism that is easy for an affluent professional to make, but not for an inner-city resident who may be a bit tired of waiting for an enterprise zone or for an affordable house in the professional's suburb.

them adequately. We can only repeat that this is why we suggest a major demonstration.

Another criticism of the mobility strategy is that it maintains historic patterns of residential segregation. The mobility strategy appears to be a kind of "separate but equal" approach that is so effectively damned by dispersal strategists. But caricatures of the mobility strategy as American apartheid, with transit passes drawn as "day permits" for black workers to enter white enclaves, are irresponsible. The mobility strategy is formulated within formidable political constraints, and as the Mount Laurel legacy in New Jersey clearly shows, the process of opening up the suburbs will be long and difficult.

Now, to be sure, the fact that a policy goal is difficult is no reason not to pursue it. Instead, there are at least three related counterarguments to criticisms of the mobility strategy. First, although probably not a sufficient condition, greater socioeconomic parity between whites and blacks is almost certainly a necessary condition for sustainable residential integration. The mobility strategy attempts to achieve that parity by enhancing African-American labor market opportunities. Thus, the mobility strategy, by integrating the workplace first, might be an instrumental, though admittedly an incremental, step toward eventual neighborhood integration.

Second, there are many arenas in which we may work out our racist attitudes and actions. Explicitly geographic arenas include residential neighborhoods, places of work, and, to a lesser extent, schools. There are more and less volatile arenas in which to intervene against racism, and the workplace is a considerably less volatile arena than either neighborhoods or schools. Perhaps it is better to reshape people's racial and ethnic attitudes through actual daily contact at work, than it is to expend enormous energies over potential contact in neighborhoods. Furthermore, there is the problem of exit. Policy may be able to ensure and realize the right of poor blacks to move into a neighborhood, but how can it require more affluent whites to remain? Although coworker and customer discrimination will almost certainly prevent workplace integration from being easy, surely these will be less virulent than the "neighbor discrimination" that lies behind white flight from integrating neighborhoods.

Third, there is a certain hypocrisy to calls for residential integration. There are rather severe limits to governmental capacity to intervene in housing markets. There are only so many public housing units that can be built and maintained, and there are only so many public dollars that can be used to subsidize the entry of low-income households into the private housing market. This means that the burden of genuine, everyday racial integration at the neighborhood level almost always falls on poor and working class blacks and whites. Most affluent families have, and the rest always could, abandon racially integrating neighborhoods. Whereas less mobile households must stay to work out an integrated society. This is not to say that working-class racism is somehow excusable. However, we might find middle-class calls for residential integration more compelling if they could demonstrate how middle-class neighborhoods would participate in the vision.

Rather than rearranging the geography of housing or the geography of firm location, the mobility strategy represents a more direct approach: make available the opportunities of the region to the residents of the inner city by confronting the training, information, and transportation barriers that a decentralized region creates. The mobility strategy does not hold hostage the fortunes of impacted ghetto

residents to our political and economic capacity to rebuild downtown blue-collar economies or open up the suburbs to affordable housing

An important qualification to this emphasis on the mobility strategy is that the three strategies are not necessarily substitutes. Clearly, no commitment to connecting inner-city residents to suburban jobs relieves city or suburban governments from protecting the civil-rights of people to reside anywhere they can afford. And clearly, a commitment to connecting inner-city residents to suburban jobs does not mean that city governments should or would abandon their local economic development agenda. Indeed, the three strategies could be very effective complements. Connecting lower-skill city residents to the suburban labor market allows city economic development officials to focus on sectors in which the central city often retains a powerful comparative advantage, such as tourism, upscale retail, and business services. Also, the economic gains afforded by the mobility strategy can lead to community resources sufficient to support neighborhood businesses. Suburban Job Link, the Chicago program discussed in the companion report, claims to return over $4 million in annual wages to its inner-city neighborhood by connecting residents to suburban jobs. This must improve the prospects for developing sustainable local enterprises to serve this potential consumption base.

Clearly, the pieces of this puzzle will not simply fall into place and remain fixed. Metropolitan areas are complex and dynamic. Some ghetto residents will get jobs and incomes and buy a car, no longer relying on the transportation programs of the mobility strategy. Some people will get jobs and higher incomes and move to the suburbs, perhaps no longer relying on or contributing to the community institutions strengthened by the mobility strategy. The broadest goal of the mobility strategy is to transform the impacted ghetto into a viable place with access to the same resources that make any neighborhood viable: safety in the streets, education and human services in the community, and access to employment opportunities throughout the region. People may want to move when given the choice or people may choose to rebuild and remain in their neighborhoods rather than leave them. But whatever their choice, the mobility strategy would be successful precisely because the poor would have a real choice: between safe, productive, accessible neighborhoods in the inner city or the attractions of the suburbs.

That choice is, ultimately, the ingredient mobility strategists seek to emphasize in the antipoverty strategy mix. We will never know the strategy's capacity to increase choice without a demonstration.

BEST COPY AVAILABLE